Daily Report

Latin America

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FBIS-LAT-88-160 *18 August 1988*

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Communist Parties Communique on Meeting

PY1708042088 Montevideo LA HORA in Spanish
9 Aug 88 p 6

["Text" of communique issued by the third meeting of Communist Parties of South America in Montevideo, Uruguay, on 7 August]

[Text] The third meeting of Communist Parties of South America took place in Montevideo, Uruguay, from 5 to 7 August.

Representatives of the communist parties of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Panama, Paraguay, Peru, Uruguay, and Venezuela attended. Representatives of the Communist Parties of Cuba and the Soviet Union were invited and attended as observers. Representatives of the FSLN of Nicaragua, the FMLN of El Salvador, and INTERNATIONAL MAGAZINE also attended as observers. The Guyana Popular Progressive Party sent greetings and said it could not attend for technical reasons.

The representatives discussed a number of issues of common interest, such as the general situation of the region, the development of the struggle of the peoples in defense of their sovereignty and against the interference of imperialism, the struggle for democracy and peace, and the defense of workers' interests.

A very fruitful exchange of experiences and different views took place during the meeting. This revealed that the organizations represented at the meeting, by themselves or through joint efforts, reflecting the maturity and political and ideological development of their own peoples, are becoming those who can provide the best and most comprehensive proposals, who present the most adequate solutions to the great problems of the countries of the region, and who submit true answers to the vital concerns of millions of men and women who are increasingly trusting and following the word and orientation of the communists and other anti-imperialist forces in this region of unfolding revolutionary possibilities.

The representatives objectively expressed appreciation of the fact that the parties present at the meeting had notably advanced in creativity and are presently facing with great interest the challenge of the complex contemporary reality, formulating creative and original solutions, and answering desires of our peoples for deep changes and transformations.

The representatives emphasized the value of the Cuban revolution, which achieved with originality the nation's definitive social and national liberation. Through the successful building of a socialist society, Cuba has consolidated the dreams and ideals of millions of Latin Americans, who will surely embark, with their own characteristics, in a struggle similar to that won by freedom island.

Nicaragua's popular revolution confirms the tenacious and heroic contribution of its people to the patriotic task of defending sovereignty, freedom, democracy, and the right to a future with dignity. Nicaragua's flexible, irreproachable, and principled policy makes us believe that the Reagan administration will pass away and the Sandinist revolution will prevail.

The irreversibility of the Cuban revolution, the consolidation of the Nicaraguan revolution, and the substantial progress of the heroic struggle of the Salvadoran people point to the failure of imperialist designs in Central America.

The international solidarity, the Esquipulas II agreements, and the Contadora Group and Contadora Support Group efforts constitute an important basis on which to build a political agreement in Central America.

The representatives expressed the need to strengthen the solidarity with the patriots, democrats, and revolutionaries of the continent and the peoples of the world in their struggle for liberation and against imperialism.

Colombia is the victim of a genocidical campaign to contain the advance of the popular struggle. The militarist circles and their accomplices in the more reactionary sectors have continued their criminal dirty war against the Patriotic Union and the other leftist and democratic forces, provoking the general repudiation of the people. The representatives also condemned the anticommunist terrorism in Peru, because it attempts to cut down the growth of the revolutionary left, which has become an alternative to government and power.

The government and people of Panama have been suffering the consequences of a cruel campaign, the single purpose of which is to repudiate the Torrijos-Carter treaty, so the Pentagon can continue to maintain in its hands the colonial enclave and military bases used for aggression and hemispheric control. We must increase our demands for the unrestricted respect for treaties and for the withdrawal of the blockade and interference that the United States exerts against Panama.

The representatives supported the struggle of the Chilean people against Pinochet's dictatorship, the Communist Party position on the plebiscite, its support for the no vote and the rupture of institutional order, and any other form of struggle seeking to create the conditions for a democratic uprising of the masses, and thus to end the regime. The active solidarity of our parties and the democratic forces of the region must continue to contribute to this end.

Moreover, support was voiced for the Paraguayan peoples' struggle to recover democracy, by ousting the dictatorship that can no longer conceal its discredit at an

international and domestic level. Paraguay also deserves international support in demanding the reappearance of Antonio Maidana and other detained and missing fellow countrymen.

The representatives reiterated their support for the people of Haiti, victims of a dictatorship which is the continuation of Duvalier's regime.

The defeat of the fascist dictatorships in Bolivia, Brazil, and Uruguay; the ousting of the dictatorship in Argentina and the withdrawal of its Armed Forces to the barracks; as well as the electoral defeat of the rightist sector in Ecuador, the increasing support obtained by the Mexican left during the electoral campaign and its victory in the Mexican capital, and the progress achieved in the unity of vanguard forces in various countries, show that there are new chances for the struggle seeking the broadening of democracy.

The workers and peoples' struggle for democracy and the important progress made in this field by the political parties and the wise conclusions and the recent practical achievements were highly appreciated by the representatives. At the same time it was noted that specific forces, such as Christians, intellectuals, students, and others, have greatly broadened their contribution.

The organizations and progressive and revolutionary political parties that represent the aforementioned social forces are allies and friends with whom the communists work with the necessary understanding, and which now and later will represent the search for the most legitimate and noble objectives of freedom and well-being that are sought by millions of men and women throughout Latin America. These objectives are nothing but the conquest of power by the people and by socialism.

In recent days there has been a new impetus, and new transforming and creative forces have appeared in the world. The Soviet perestroyka, the rectification process in Cuba, and the renewal processes in other socialist countries—each one with their own characteristics—and the rupture of old schemes and theoretical and practical inflexibilities have given new impetus to the activities of the revolutionaries, of the communists, of all latitudes.

This new attitude will contribute to developing greater forces in the defense of peace. It has already contributed to taking the first real step toward nuclear disarmament, with the signature of the agreement for the elimination of short- and medium-range missiles. It is possible to predict new achievements in this field, including the elimination in the future of belligerent conflicts between nations and the elimination of the weapons industry, in order to place the resources used for their production at the service of development of human beings and the resolution of great problems which currently affect the world, especially the Third World.

Imperialism and the dominant classes in our fatherlands prevent the full enforcement of democratic freedoms and the clarification of thousands of cases of missing, murdered, and tortured people. In sum, the total disrespect for human rights. We once again express our commitment to the struggle for the cause of life and freedom.

Under the excuse of the struggle against drug trafficking, which exists because there is a market in the United States, the empire violates the sovereignty of our countries in order to repress and militarize them. Consequently, the problems of malnutrition, infant mortality, and unemployment grow, while the standard of living of our people drops.

The representatives reiterated that the short-lived and ineffective economic solutions implemented by many governments have only served to prove that the foreign debt cannot be paid nor collected, and confirms the need to continue struggling to prevent it from being honored, for the establishment of a new international economic order, and for an authentic integration, which are necessary to achieve sovereign economic development.

The breaking of dependency and the fulfillment of the Latin American peoples' material and spiritual needs and concerns is feasible through the struggle of the people in a world that tries to do away with the threat of a holocaust and tries to broaden the possibilities of achieving their desire for independence, freedom, and social justice.

In order to fulfill these objectives the third meeting of Communist Parties of South America has decided to increase contacts, exchanges of opinions, research, experiences, delegations, and other mechanisms and procedures. It authorizes its liaison committees to, in consultation with the parties, implement this policy. The representatives agreed to continue holding these meetings, including larger ones, in the belief that they will contribute to the unity of the revolutionary, democratic, and anti-imperialist movement of the continent. Finally, on the occasion of the 30th anniversary of the victory of the glorious Cuban revolution, the representatives agreed to organize a celebration with patriotic and Latin American dignity, together with our friendly nations and organizations.

Montevideo, 7 August 1988

The meeting agreed to ask the Liaison Committee to address the following telegrams to:

—Nelson Mandela: Solidarity and congratulations on his 70th birthday.

—J. Kutlu and N. Sargin: Solidarity in view of the life sentence that the Turkish dictatorship intends to hand down.

Cuba

Military Commission With RSA, Angola Created

FL1808005188 Havana Television Service in Spanish 0000 GMT 18 Aug 88

[Text] Angola, Cuba, and South Africa announced today the creation of a joint military commission that will guarantee the cease-fire agreement reached in Geneva at the beginning of this month. A press communique approved by the three countries states that the goal of this measure is to guarantee the end of hostilities and pave the way for the implementation of UN Security Council Resolution No 435 for Namibia's independence. The communique notes that the military commission includes officers from Angola, Cuba, and South Africa. The official text of the agreement is as follows:

Based on the U.S.-mediated agreement reached in Geneva on 5 August among delegations from Angola, Cuba, and South Africa, military experts of those countries met on 15 and 16 August in Ruacana on the border between Angola and Namibia. The experts discussed practical steps to implement a joint military monitoring commission that will lead to the accomplishment of the military objectives set out in the Geneva agreement to guarantee the cessation of hostilities and pave the way for the implementation of UN Security Council Resolution No 435 of 1978 for the independence of Namibia. The meeting was held in an atmosphere of mutual respect and responsibility. The joint monitoring commission was created and all the parties approved a document that regulates its activities. The joint monitoring commission includes officers from the Armed Forces of Angola, Cuba, and South Africa.

Foreign Ministry Hails Iran-Iraq Cease-fire

FL1708123188 Havana Tele-Rebelde Network in Spanish 1100 GMT 17 Aug 88

[Text] The Ministry of Foreign Relations [Minrex] of the Republic of Cuba has issued the following statement:

The Ministy of Foreign Relations expresses Cuba's joy over the recent announcement by the UN secretary general, the most excellent Mr Javier Perez de Cuellar, on the establishment of a cease-fire and the subsequent beginning of direct negotiations between Iran and Iraq.

Everyone knows the enormous efforts carried out by Cuba in attempting to reach an honorable and just peace through political negotiations, ever since the beginning of this conflict. Today, the efforts of the international community, channeled through the praiseworthy action of the UN secretary general, offer the real hope that this bloody war will end soon, a war that, as the commander in chief, Comrade Fidel, said, should never have exploded.

We hail the solutions adopted by the governments of Iran and Iraq and we exhort them to continue working to reach a definitive solution that will guarantee a just and lasting peace such as will benefit both nations and the international community. We also hope that caution and wisdom take priority in subsequent negotiations so that the current peace process will be crowned by future success in the framework of the present process of international distension.

We would like to show our support for the peace gestures of the UN secretary general and for the UN Security Council in trying to guarantee strict compliance with Resolution 598. At the same time, we reiterate the need, as part of a global solution to that conflict, for the immediate withdrawal from the Gulf of U.S. military forces and its allies, which endager international peace and security.

Rodriguez Cited on Third World, Debt Issues

PA1708210888 Mexico City EXCELSIOR in Spanish 11 Aug 88 pp 14-A, 16-A

["Part Two" of report by Luis Suarez on "exclusive" interview with Vice President Carlos Rafael Rodriguez at the Cuban Embassy in Mexico City—date not given]

[Excerpt] [Passage omitted] [Suarez] Metaphorically speaking, could one say that the Third World's economic situation is so grave that the patient is closer to death than to survival?

[Rodriguez] The patient is the people and the people never die. No one has ever issued a death certificate for an entire people. It is the governments, the leaders, the groups that lead, that die. It is the latter that can be replaced. The Third World is in such a sad condition that its relations with the industrialized countries have been altered. The industrialized countries have not yet realized the importance of a well-organized, coherent, and developing Third World for the survival of capitalism. The classics tell us: God makes losers blind. This is what is happening. It looks as if God is blinding the capitalist countries because they are unable to see the Third World's enormous potential. If the capitalist countries were to contribute to Third World development, they would be creating a market comprising millions of people and deficiencies would be corrected. This is a dramatic moment for both the North and the South. Upheavals in the South will be serious if its problems are not resolved.

[Suarez] Is the debt the biggest problem?

[Rodriguez] It is the biggest and most urgent problem. It is the starting point. However, a solution to the foreign debt problem does not mean an automatic solution to all the Third World's problems; however, the debt problem must be resolved first before any other problem can be resolved. That is how important the effect of the debt is on the indebted countries—the developing and the

underdeveloped countries. There cannot be true development without resolving the debt problem. You have experienced this in Mexico, we have experienced it in Cuba, others have experienced it in Argentina, in varying degrees and forms, but all of us know that it is necessary to resolve the foreign debt problem.

[Suarez] Is the foreign debt primarily a cause or an effect?

[Rodriguez] The foreign debt is not a cause; it is an effect. It is an effect, first, of bad Third World policies—of mistaken development concepts—but it is also an effect of unfair exchanges and the carelessness of bankers who lend money to earn interest, not to promote development. The foreign debt problem can be resolved, but if problems related to the new international economic situation are not satisfactorily resolved, within 15 or 20 years we would again be caught up in a fatal cycle.

[Suarez] With debts again....

[Rodriguez, interrupting] Back to debts again, back to easy borrowing and painful paying.

[Suarez] Has President Fidel Castro's hypothesis on the foreign debt made any progress? Has the Cuban position moved closer to less radical positions or have these less radical positions moved closer to the Cuban one?

[Rodriguez] I would say Fidel's hypothesis has quietly gained ground, although this has not been admitted by many persons who nevertheless are convinced his hypothesis is correct. Fidel has said the foreign debt is unpayable, and experience has demonstrated this. I will use Mexico's case as an example. Mexico has found the—quote—"best"—unquote—solution for the foreign debt. Mexico, however, owes more now than it owed before; it is less able to pay now than before. If we look at the continent as a whole, we will notice the dramatic situation of Alan Garcia, who reduced the payments percentage, and Peru's debt still cannot be paid. There is the case of Ecuador: The president of the Ecuadoran Bank was one of the few persons who, at a foreign debt meeting held in Cuba, at which there was no agreement on an single position, spoke against the thesis that the debt is a grave problem. He told me the Ecuadoreans had resolved the problem by means of favorable agreements with the banks. I told him this would allow his government to survive but not the government that would follow. This is what happened following the oil crisis. Ecuador's situation now is the worst in Latin America. It can make no payment and has admitted it.

[Suarez] Then Cuba's position is still valid?

[Rodriguez] I am going to answer the second part of your previous question first. We have moved closer to other positions. Cuba has signed all the SELA agreements stating that under the current conditions, the foreign debt is unpayable. We have not said the debt should not be paid under any condition but that under the current conditions, the debt is unpayable—and this is already being admitted. This is being admitted often enough for us, because these are the present conditions, not the new international economic order we have been talking about.

[Suarez] Then it is possible we will see the creation not of a club of debtors but of a forum of debtors? Would this forum serve just for discussion or would it serve to produce agreements?

[Rodriguez] In Cocoyoc, we talked about how difficult it would be to create a forum of debtors even though it would be less difficult to create than a club of debtors. We are not concentrating on the club right now, but the forum. We recall the case of the Cartagena Agreement. I can tell you that [former Tanzanian] President Nyerere has addressed all the chiefs of state proposing the creation of the forum and has received very few answers; of those received, few are favorable. A long struggle will be necessary. We are in a hurry but not desperate. The situation is becoming increasingly difficult, and the governments and people have increasingly urgent needs. This will lead to discussions, and some link of unity will emerge out of those discussions.

[Suarez] Would that emerge from a common point of view?

[Rodriguez] The idea is to coordinate positions. We know the situation in Mexico is different than Argentina's, Argentina's is different than Chile's, and Chile's is different than black Africa's, which is a desperate situation with less relative development, but at the same time different than the Asian countries. However, the difference between these situations does not prevent us from having a coordinated position to face the creditors and say to them: "This is the Third World's position; these are the problems we have to dicuss; let us talk." The foreign debt is a political problem, and if it is not resolved politically, it will not be resolved with a forced and obligated moratorium that would be worse for the bankers than a negotiated moratorium. This must be stressed.

[Suarez] What has been the overall effect of some countries declaring a unilateral moratorium, such as Brazil? Was this good or bad?

[Rodriguez] It had some good points, and for Brazil it had bad ones. Some points were good because they were an indispensable example of combat. However, the moratorium cannot be declared in an isolated way. In an isolated manner, no country of the South can win against international banking and the group of countries that form the international capitalist community. This would be unrealistic. Therefore, to start finding solutions country by country, fighting country by country, is bad. As may be recalled, when Brazil enacted its moratorium, the United States softened its position toward Mexico and

Argentina, reached agreements with them, leaving Brazil isolated and powerless. This is what we must avoid: the impotence of isolation, because separately they leave each of us powerless, then they hit us all at once.

[Suarez] Speaking of Cuba and its foreign debt, is it such an important factor that it affects its economy, or could it in some way halt or impair the path taken with regard to the economic rectifications in which Cuba is involved today?

[Rodriguez] You have used a very important word to define it: Impair. It would not impair development. The other word you used: Halt—it can halt development. Our development is ensured through solid and permanent relations with socialist countries, which allows us to operate with about 90 percent of our economy, making it possible to carry out great development projects on the basis of adequate prices for our export products and a secure market for them. Right now, while all countries are going through difficulties, we are undertaking important projects such as thermoelectric plants, nickel factories, and oil refineries. In other words, the bulk of our development is taking place because of our relations with these countries.

[Suarez] Is it enough?

[Rodiguez] It is not enough for us to develop in terms of production. We must also have social development; without this there is no development. We have to have development aimed at the people. We really want to develop, not grow, and to develop we must have development guided toward the people, with the structural reforms and a rise in the masses' standard of living. Here is where the foreign debt hits us a bit. About 10 percent of our foreign economic relations are with noncapitalist countries that are also nonsocialist and that supply us with raw materials we cannot obtain from socialist countries: food that complements the food received from socialist countries; essential equipment we cannot obtain from socialist countries; spare parts; medicines that are indispensable for Cuba's health level—I would say Cuba has the highest level among undeveloped countries. Without this, the standard of living would not be what we want to give our people. Therefore, the foreign debt also affects us, very seriously. Sometimes it halts certain projects, because in economics one speaks of an effect called the importance of not being important—for example, thread in the sewing industry: a small part, but without thread, no dresses or suits can be made.

[Suarez] What are noncapitalist and nonsocialist countries?

[Rodriguez] When I talked about noncapitalist countries—and this is very significant to Cuba's economy—I did so because our relations with nonsocialist countries are not all directed toward the orderly, organized capitalist world. We maintain sound economic relations—although impaired by the foreign debt—with France, Great Britain, and the FRG, and very important relations with Japan. However, we also maintain important relations with three countries that I do not completely regard as part of the capitalist world. They do not include themselves in it, either, because they are more developed than others. I refer to Spain, Argentina, and Mexico. We began expanding our economic relations with Mexico, and it has now become a most important element in our economic thrust of the last few years.

[Suarez] Are the efforts being made now any different from those proposed at the nonaligned summit in Algiers in 1973 and the proposals the Nonaligned Movement submitted to the United Nations? Can they be regarded as a failure, because the new international economic order has not been established and does not even appear as an antecedent in the charter on economic rights and duties of states?

[Rodriguez] The effects are different, the problems persist, and to some extent this means the failure of a struggle that has been carried out with varying degrees of intensity since 1974. The need for a new economic order is as current as before. The circumstances [late Algerian President] Boumedienne denounced at the UN podium on behalf of the Nonaligned Movement have worsened. The inequality and the problems with commodities have grown. The problems with commodities, which is what they are called in the usual international jargon, are now worse than ever. Latin America has lost $80 billion during the last few years just because of the changes in the prices of its products, and the Third World has lost $150 billion. The unequal international situation originated much earlier, and the remedy was to be the new order—which, by the way, was supported by the socialist camp and approved by most capitalist countries with U.S. reluctance, which demonstrates that Reagan was the worst of them all, but the others were not good either. Spokesmen for the capitalist world are declaring the new order dead. They claim it is obsolete. Of course, what grows old may be obsolete, but it may remain alive, and that is how it is.

The other day I recalled at the home of [former Mexican President] Luis Echeverria the important role Mexico, and he personally, played regarding the proclamation of the charter of rights and duties of states, which was introduced with some changes at the United Nations and approved simultaneously with the new economic order. These documents are as current as ever. Regrettably, a subtle trend has developed in the underdeveloped countries and the Third World as a whole to proclaim that new formulas need to be sought. However, what are those new formulas? After all, the patient is terminally ill, and even though the prescriptions are modern, they are not better than the previous ones.

The formula being proposed is conciliation. However, what conciliation can there be between the executioner and the victim? There can be no conciliation unless the executioner stops wielding the axe, the guillotine, the

gas, or the electric chair. This is what we want. It is called the new international economic order. It means leaving out all factors of exploitation.

FRG Deputy Visits; Meets ANPP Secretary

FL1708151288 Havana Radio Reloj Network in Spanish 1424 GMT 17 Aug 88

[Text] FRG deputy (Sigrid Sol Schlasnacher), who is visiting Cuba, met with Luis Mendez Morejon, secretary of the National Assembly of the Peoples Government.

During the meeting, the FRG deputy was briefed on the structure and function of the Cuban parliament. The two officials also discussed other interesting matters.

His Excellency Roland Zimmerman, FRG ambassador to Cuba, and Rosario Navas, director of the Western Europe Department of the Foreign Ministry, also participated in the meeting.

During her stay in Cuba, the FRG deputy will meet with other leaders and tour various areas of economic and social interest.

Venezuelan Presidential Candidate on Relations

FL1708130088 Havana Tele-Rebelde Network in Spanish 1100 GMT 17 Aug 88

[Text] Carlos Andres Perez, official candidate for the Venezuelan presidency, has emphasized the need to normalize Cuban-Venezuelan relations as soon as possible.

He also stated that his meeting with Fidel Castro last week in Quito was extremely productive. He had not met with the Cuban president since 1980, when they met Managua during the 1st anniversary of the Sandinist revolution. It was very important for me, after so many years, to exchange ideas with this Latin American leader who does not profess my ideas and is in different political fields, but forms part of the Latin American reality.

Draft Resolution on Puerto Rico Presented

FL1608124288 Havana Tele-Rebelde Network in Spanish 1100 GMT 16 Aug 88

[Text] Oscar Oramas Oliva, Cuba's permanent UN representative, has presented a draft resolution on the colonial status of Puerto Rico to the UN Decolonization Committee. The document reaffirms the inalienable right of the Puerto Rican people to free determination and independence in accordance with Resolution 1514 of the UN General Assembly, which was agreed upon in 1960.

For his part, Juan Mari Bras, the secretary general of the Puerto Rican Socialist Party, who is attending the debates of the UN committee, emphasized that 90 years since the U.S. invasion, Puerto Rico [words indistinct] to be assimilated by the United States. The debates on that country will continue until tomorrow during the sessions of the Decolonization Committee.

$6-Million Barter Agreement Signed With Guyana

FL1308182088 Havana Radio Reloj Network in Spanish 1811 GMT 13 Aug 88

[Text] Cuba and Guyana today signed a trade agreement for the rest of the year amounting to some $6 million in the barter [preceding word in English] system, which consists of the direct exchange of goods or services between two parties without the use of foreign exchange. The transaction, as in the present case, is the result of governmental accords between the two countries. Under the terms of the Cuban-Guyanese agreement, the latter will export 6,000 tons of rice and more than 2,000 cubic meters of wood to Cuba. In exchange, Guyana will import 10,000 tons of cement and 5,000 tons of salt, according to Alberto Betancourt, Cuban vice minister of domestic trade, who traveled to Georgetown to sign the protocol.

The barter agreement also provides for Guyana's purchase of pharmaceutical products, among others. Cuba will continue acquiring wood furniture.

Smuggling Said Part of 'Destabilizing Campaign'

FL1708191588 Havana Radio Rebelde Network in Spanish 2335 GMT 12 Aug 88

[From the "Exclusivo" program, with host Daniel Torres]

[Text] [Reporter Josefa Busi] I was at the airport when customs detained a Mexican citizen who was hiding on her person jewelry and a large sum of dollars which she had not officially declared. Each tourist who enters the country can bring what he wants in terms of articles for personal use, and the amount of money he wishes. However, he has to officially declare to customs the amount of money he brings.

[Torres] This is important. I think it is important you have clarified this. Cuba does not place any obstacles before a tourist, but he should declare what he brings.

[Busi] Exactly. Of course, you know that everything brought from abroad to make profit in the country is also easily detected by our authorities. Anyway, I was there and was able to find out about the case of this Mexican woman. I was concerned a bit about this. Also, following your exclusive suggestions, I was able recently to go to the Habana Riviera Hotel, where Maria Narvaez is staying. I talked with her briefly and taped the conversation, which, by the way, was not working very well. Let's listen to the recording and perhaps we can comment on it a little more later.

[Torres] An important detail, Busi. She is in a hotel.

[Busi] Yes, as a tourist she is here....

[Torres, interrupting] She is not detained or anything.

[Busi] No, no. After we listen to the recording we will comment on this. She is a tourist who is at this time in the Riviera Hotel spending her days in our blue summer, as it is called.

[Torres] Well, let's listen to what she told you.

[Begin recording] [Busi] Maria, did you know where the merchandise you brought from Mexico to Cuba came from?

[Narvaez] Not all of it. Some of it I did know about, but not all of it.

[Busi] How is it that you brought these things in without really knowing what you were bringing?

[Narvaez] Because someone else packed my suitcase.

[Busi] Who packed it?

[Narvaez] A friend of a young man called Angel. He was the one who brought those things.

[Busi] What kind of relationship do you have with Angel?

[Narvaez] He used to be (?my boyfriend). We stopped seeing each other and now he is married to a lady from Colombia, I believe. For this reason....

[Busi, interrupting] What is his name?

[Narvaez] Angel.

[Busi] Angel what?

[Narvaez] Angel Gomez. He is Mexican.

[Busi] He is not of Cuban origin?

[Narvaez] No, he lives in Miami.

[Busi] But is he of Cuban origin?

[Narvaez] He is Mexican.

[Busi] Is he Mexican or Cuban?

[Narvaez] Mexican.

[Busi] Are you sure that he is Mexican?

[Narvaez] Well, he has told me so. I really don't know because many people try to pretend they have a different nationality.

[Busi] How was it arranged for you to bring the things and the money here?

[Narvaez] He travels to Mexico often.

[Busi] How did he ask you to bring his things to Cuba?

[Narvaez] He asked me if I could bring those things. I told him I didn't want any problems. I didn't know if there would be any problems or not.

[Busi] And the list of people you were going to see here in Cuba?

[Narvaez] I don't know them. They were going to meet me.

[Busi] You declared a certain amount of money. Nevertheless, you had another amount. Was this done at someone's direction?

[Narvaez] This money was in my wallet and I only knew what I had. What I had in my wallet was mine, Mexican and American currency. I exchanged some Mexican currency to come here. The rest was given to me. That man and his wife gave it to me.

[Busi] What did he tell you to do with this money? What was the true destination of this money?

[Narvaez] What was the destination of this money? He asked me if I could personally give it to others. If not, I would take it back.

[Busi] You were going to give it to people that were on a list they gave you?

[Narvaez] They made the list themselves.

[Busi] And the jewelry that you had hidden on your person?

[Narvaez] I didn't hide the necklaces. I wore them around my neck. They were not hidden.

[Busi] I think that they also gave you $200 for your expenses here. How did you come to agree on that?

[Narvaez] They told me that if I needed more money I could use $200 or $300 for my personal expenses.

[Busi] Then we could say, in this case, that they were the ones who deceived you?

[Narvaez] In many ways, yes. For example, the pullovers and other things. I knew what was there. I think they lied to me. [end recording]

[Busi] You heard the conversation, Daniel.

[Torres] Yes, it was a unique conversation.

[Busi] I think the problem is that this woman was a victim of those people outside of Cuba who want to destabilize our economy. Don't you think so?

[Torres] Yes. I was explaining to Pedrito Garcia Suarez, our comrade, who was asking me what's behind all this, that it's a destabilizing campaign against the Cuban economy.

[Busi] Exactly.

[Torres] It is also a campaign that violates all Cuban laws. It has it's ideological and political roots, which are obvious.

[Busi] Exactly. She made contact with a Cuban that travels. He has the opportunity to travel from the United States to Mexico. He can make contact with people that can travel to Cuba so they can bring things for his business. It is done illicitly. The merchandise is sold here at high prices. It is a serious problem and I think this "Exclusivo" program should alert the tourists in our country and those who are listening abroad who might be interested in coming to our country. One can come freely to our country to enjoy our sun this beautiful summer or any time of the year. However, they should not be deceived, as happened to Narvaez from Mexico. It seems they deceived her.

I'm not an authority, but this case should be investigated by customs. I think that Narvaez has been another victim, a tourist who fell victim to this illegal trafficking of currency which some people want to bring into our country. I think we should alert people. Don't you think so?

[Garcia Suarez] Josefa, Daniel, I wanted to say one thing. I think that an awareness campaign for decent people should be instituted for those coming to our country so that this is not used as an instrument to destabilize our economy. We should warn them.

People coming to our country have to register. The other day I met a tourist, an engineer, whom I have know for several years. He complained about the extensive registration he went through.

I think that tourists should be clearly warned that our country is going through this process so that they do not go away with a bad impression of customs registration.

[Busi] I think that you're right, but this happens everywhere. Customs exists in every country. Each airport has a customs system for all tourists, for everyone who travels from one country to another. We are also strict.

[Garcia Suarez] Of course.

[Torres] The other matter I wanted to clarify with you, Busi, is whether this woman has to leave the country by a certain time.

[Busi] No, she has no problem. However, they confiscated her money. She has no money for her vacation. This woman is a tourist here. What we are doing in this case is pointing out the people who are victims of those people abroad who are using certain people for their own affairs, so they can illegally introduce goods into our country. Why don't they bring it themselves, Daniel? They use these people for their illegal traffic.

[Torres] This has become a network. It has truly proven to be this way. Many thanks to Busi and Garcia Suarez.

Dominica

John Rejects Douglas Campaign for Prison Release

FL1708162288 Bridgetown CANA in English 1442 GMT 16 Aug 88

[text] Roseau, Dominica, Aug 16, CANA—Jailed ex-Dominica Prime Minister Patrick John has rejected as a self-serving political ploy a plan announced by opposition leader Micheal Douglas to seek his release, according to a report on the state radio here.

"It is a covert and cunning exploitation hatched by...Douglas to gratify his selfish, personal, and political purposes," said John of the opposition leader's proposal to table a resolution in parliament asking the authorities to free John to mark Dominica's 10th independence anniversary this year. John led the island into independence from Britain in November 1987.

The Dominica Broadcasting Service on Monday night read what it said was a statement from John, who was jailed for 12 years in 1985 for conspiring to overthrow the government of Prime Minister Eugenia Charles.

The statement said: "I am shocked and surprised at this sudden attempt by Micheal Douglas to publicly manifest his relentless and undying love for me, and so appears to seek my release from prison.

"It must be pointed out that since my incarceration on October 23, 1985, Micheal Douglas has never, repeat, never visited me at the state prison in order to discuss matters related to my release, and to sympathise with me in my present predicament.

"Only recently, in a statement in the EC News, Micheal Douglas hinted that the ruling (Dominica) Freedom Party was planning to release me for 1988 independence celebrations, for political gains, and that I would come out to play my monkey tricks.

"Michael Douglas's resolution seeking a release from prison for me is too little too late.

"In this respect, I wish to publicly disassociate myself with the proposed resolution, and state most emphatically that the agility and duplicity of mind and the acrobatic concepts of morality as presently displayed by

Michael Douglas are clearly indicative of Michael Douglas' failure to carry out the peoples mandate as a mature, responsible, genuine, and effective opposition. And now he plays a last desperate card for survival, and so uses my present circumstance as a platform to boost his ever fading political and public image.

"Thus is his deceptive scheme. If I am released from prison, he will be quick to claim praise for such a release, and if I am not released, then he can mount a campaign for political support under the guise that a vote for Douglas is a vote for Patrick Johns release.

"I support the statement enunciated by my wife Desiree in this matter, and appeal to all Dominicans now and hereafter to turn a deaf ear to the verbal diarrhoea or empty deceptions and all political melodramatics coming from Micheal Douglas particularly in relation to my release from prison. And all concerned should treat this hypocritical resolution with the utter contempt, for [sentence as received]

"Finally, while I will welcome a release as may be determined by the prerogative of mercy committee, however, I wish to state most fundamentally that if my release is to be achieved through the efforts of Michael Douglas, I would rather serve my entire term of 12 years imprisonment."

Haiti

Namphy Cited On Need for Change By Year 2004

FL1708221888 Port-au-Prince Radio Nationale in Creole 1300 GMT 17 Aug 88

[Report by Saint-Marc correspondent (Rodrigue Sejour)]

[Excerpts] On Tuesday, 16 August, the military commander for the Artibonite, Colonel Gambetta Hyppolite, and the members of the departmental coordinating body for microprojects, Francois Fourchard Bergrome, Charles Danastor, and Richard Jean-Noel, organized a meeting at city hall in Saint-Marc at around 1000 in order to introduce the development adviser for the administrative district of Saint-Marc, Mr Pierre Hughes Brun.

Col Gambetta Hyppolite opened the meeting in the name of the military government. The hall was jam-packed.

In his welcome address, Col Hyppolite stressed that General Henri Namphy was very interested in the peasants, and that (?he had) declared that the face of Haiti must change by 2004—that all Haitians had to have national pride, and that there had to be unity so there could be development. He stated that the president was counting on all men of goodwill. Last, the colonel introduced to the audience the coordinating committee for the Artibonite.

Col Hyppolite also noted Gen Namphy had said these men were his eyes and ears for everything connected with development, and he gave the floor to Charles Danastor, who defined the microprojects. Danastor said there was 1 adviser for each district and 12 for the entire Department of the Artibonite. [passage omitted] He added that the magistrates, the department heads, the members of the Casers [Administrative Councils for the Rural Sections], and the military had to give them help, support, information, and security. [passage omitted]

Addressing the meeting, Jacques Benoit gave great emphasis to General Namphy's policy, which is clearly in favor of the peasants, and both he and (Thomas Deslouches) informed the audience that the train would demolish anyone who blocked its path. [passage omitted]

To (?close) the meeting, Col Hyppolite asked Pastor (Abraham Lubin), who is the development adviser for Saint-Michel de l'Atalaye, to address a prayer to God.

We noted the presence at the meeting of the civilian authorities of Saint-Marc, the commander of the military district of Saint-Marc, the magistrate of l'Estere, the magistrate of Gonaives, the members of the Casers, the section chiefs [words indistinct] members of Club Verite, the development advisers for the Artibonite, the president of the local development committee, and the heads of the public services.

Captain Ernest Ravix, who is the commander of the military district of Saint-Marc, distributed to each member of the audience a color photograph of Gen Namphy.

Kenscoff Demonstration Thanks Namphy for Gifts

FL1708145188 Port-au-Prince Radio Nationale in Creole 1300 GMT 16 Aug 88

[Excerpts] [Passage omitted] Last Sunday, 14 August, the peasants of Kenscoff, under the direction of Afe Neg Konbit [a cooperative movement in the area], organized a big demonstration attended by many people from all the little villages around Kenscoff. It began at around 1130 or 1200. There were apparently two aspects to it. First of all it was a way to thank General Namphy for a quantity of seeds to plant and [word indistinct] to put on plants, so that they can help farmers in the area. It was also a way to thank him for the sum of 31,708 gourdes that was divided among (Nouvelle Tourenne), (Trou Marie), (Nan Citron), (Obleon), (Cadet), and (Lefevre).

The demonstration was also to protest the appointment of the new area magistrate. D.P. Express [well-known Haitian band] played at the demonstration. [passage omitted]

There was a speech of support for the general by Mr (Dieujuste Anrilus) in the name of the peasants. Mr (Pierre-Paul Jules) also waxed eloquent and serious. He spoke in the name of the area youth.

The vast distribution of seeds was carried out by Mr (Robinson Jean), who then distributed a large amount of soccer equipment and many soccer balls to the area's soccer lovers.

Gen Namphy was represented by Mr Jean Gilbert, whom everyone knows. Jean Gilbert told the people about everything the general wished for the country and especially for the Kenscoff area, such as success, prosperity, and fruitful labor in agriculture for the area's population. [passage omitted]

Head of Private Lobby Group Views 'Crisis'
FL1208212488 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 11 Aug 88

[Text] (Fritz Longchamp), the person in charge of the Washington Office on Haiti [private lobby group], thinks it is up to the Haitians who want a change to seek a solution to the crisis Haiti is experiencing today; if they do not do this, some foreign country might come up with a solution for us—a solution that will be to its advantage, because to foreigners Haiti is a strategic point. (Longchamp) made these statements in an interview he gave a colleague of ours. Let's listen to him.

[Begin recording] [(Longchamp)] There is one thing that is important in all this, and that is what the Haitian people themselves have to say. The military government will hold on as long as the Haitian people accept (?the principle)—or rather, are not willing to make the sacrifices required. It isn't that I am trying to blame anyone, but I think it is clear we are at a point where the solution is going to require (?the greatest of) sacrifices. So, if the Haitian people are not willing to make the sacrifices, the government can hang in there, but if the Haitian people stomp their feet and say enough is enough, I think it will be very difficult.

Now there are two things. We must envision things. I would say that a national solution would require that everyone have the good will to acknowledge where we are at, to acknowledge the extent of the crisis, and that they be willing to be self-sacrificing and say: Ok, let's sit down together to (?reach agreement), to extricate ourselves from the present situation.

I do not see anyone, especially from among the elite, who sees things this way. They persist in maintaining a system that is already destroyed, of which there is nothing left. At this point, they might precipitate a solution that is not Haitian, a solution external to the Haitian crisis. I am talking about some kind of foreign military intervention, some kind of occupation, which would be very serious. In the absence of these two possibilities there is only one left: revolution.

Can Haiti take a revolution at present? Do we have the structures, the organization, to effect a revolution? I don't know. Only the political groups can answer that question. But these are the only three options that I myself, personally, can see for Haiti.

[Reporter] So, as a man living in Washington, you lean more toward the nationalistic solution, toward having Haitians themselves change things. But what do you think of the opinion of Haitians, living either in Haiti or abroad, who think that some other (?country), someone else, is going to get them out of the situation they are in?

[(Longchamp)] What I see in Haiti is that we Haitians don't have a realistic perception of what people think of us. There are very few people, very few foreigners, who think Haitians are people, who think Haitians are a people like any other people. This means... [changes thought] I will take the example of the Americans. The Americans are not interested—what do the Americans care if 100,000 or 200,000 Haitians die [words indistinct]? For the Americans, what is important about Haiti is where it is located. Haiti occupies the windward passage [canal du vent], together with Cuba. So what they are interested in is preventing what would be called enemy forces from coming and installing themselves in Haiti and causing the Americans problems in exercising their political power throughout Latin America and defending their strategic interests. That's all.

So if you think that anyone, foreigners, outsiders, are going to come and do for us what we cannot do ourselves, you are sadly mistaken. Sadly mistaken. Whoever might come, regardless of who it is, any foreigner who comes, will come to defend... [rephrases] to solve the Haitian crisis to the advantage of his own interests. Regardless of who it is. And I do not see anyone in the area whose interests correspond to the interests of the Haitian people.

[Reporter] In other words?

[(Longchamp)] In other words, we go back to the (?immediate) solution. It is up to us to solve our own problems, but at the same time we must be very careful. We must realize that time is not on our side. I don't mean to say that everyone should be impatient, but we should realize that it is something that needs to be done right away and very enthusiastically; that it is not something that can be put off till tomorrow or the day after tomorrow, etc. It is work that needs to begin to be done as of right now, because there is not much time left (?for the future of) Haiti.

[Reporter] [Words indistinct] you are still realistic. You do not disregard (?geopolitics). You live here in Washington, and you are very near the Congress, the Capitol, and all the congressional offices and all that. Can you tell us, from the few acquaintances you have, what is being

planned for Haiti in all those big buildings? What have they given you to understand might happen in the next few days or the next few months in Haiti?

[(Longchamp)] Well, in regard to Haiti, I really think that here in Washington they are interested in only one thing. Nobody should harbor any illusions. (?They are interested in) only one thing—an interest connected to the coming elections in the United States. In this connection, one of the issues that is going to be important is the drug thing. OK? They would like to see a solution to the drug problem in Haiti. If anything is undertaken in Haiti, it will be for that reason. I think Haitians should be realistic about this. What I am saying here, I am not saying just for the Haitian people or just for the elite, but also even for those in power. If they [words indistinct] now is to solve the drug problem in Haiti, they are making a big mistake.

[Reporter] There are reports circulating here in Washington among the community to the effect that others have been implicated in this drug business. Do you have any information on this?

[(Longchamp)] Yes. Here before me, I have a document that says almost the entire Haitian Army High Command is involved in drug trafficking. And also, they have information. This is so true that President Reagan the other day signed what they call here an executive order [preceding two words in English]. I think [words indistinct] would call it a kind of decree. It says that before the U.S. Justice Department takes action against a chief of state or the head of a foreign government, they must have Reagan's permission. According to this document, this is precisely an initiative taken in the case of Haiti, because they think if they follow the investigation through to the end, even General Namphy would be in trouble. [end recording]

Update on 14 Aug 'Massacre' of Labadie Youths
FL1708161388 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 17 Aug 88

[Excerpts] Labadie, in Petite Riviere de l'Artibonite, has just experienced a new episode in the series of bloody events sowing mourning in different parts of Haiti. Several young people, members of the Labadie Youth Movement, MJL, were felled Sunday by the criminal bullets of a group of civilians and members of the Armed Forces. Several witnesses say they noticed the presence of section chief (Esperand Charles), who was operating under orders from the well-known prefect, Baguidy Grand-Pierre. [passage omitted]

Initial reports said there were 10 dead and several wounded but according to other sources, at least 4 people were killed. [passage omitted] According to the latest reports, there are two wounded, and their names are as yet unknown.

MJL does not consider the latest tally a final one, because the wounded might die and because some of the people killed might have been thrown in the river in that area, especially since there is a report already circulating to the effect that the area military have forced certain families to bury their murdered children quickly. [passage omitted]

According to a press correspondent in the area, the men responsible for this new massacre did not reach Labadie over the main road. They came over the hills, across the plains, and through the woods to carry out their terrible plan. [passage omitted] According to testimony collected by this same press correspondent, one day after the Sunday massacre during which many young people were murdered, the MJL's home economics center was sabotaged at the initiative of the magistrate and the area's military commander. The correspondent says the authorities went to Labadie to open an investigation into Sunday's incident. However, according to the magistrate, it was not to conduct an investigation but merely to write up a formal report. The magistrate also said that he did not know the center had been sabotaged and that if it indeed had been, it had not been at the orders of the group that went to take formal notice of the events. However, one thing is true—and the press correspondent said it because he saw it with his own eyes: the MJL's home economics center has been sabotaged, has been totally trashed.

Meanwhile, it does not look as if either Information Ministry officials or higher-ranking officials in Port-au-Prince have yet made any efforts to find out what happened in Labadie 3 days after the big murders the government and civilians conspired to commit against the MJL.

Arrests, Other Events in Miragoane Reported
FL1708143488 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 16 Aug 88

[Report by Miragoane correspondent (Gerenold Jean-Baptiste)]

[Excerpts] In Miragoane, there is constant talk of contraband. Vehicles are always leaving town at night, never having been inspected. Last Wednesday, a member of the Armed Forces named Jacques Joseph and a customs employee named Joseph Nicolas were arrested. The customs employee is reportedly an accomplice in a matter of a vehicle that was lost on 6 August.

Joseph Nicolas was taken before a judge last Friday, but the press was not authorized to attend the proceedings. The soldier, Jacques Joseph, did not appear in court. Three other members of the Armed Forces came to the court session. [passage omitted]

Meanwhile, Miragoane Communal Magistrate (Roger Virgil) has fired three employees: Mrs (Wednesday Rene), (Yves Andre Bernadel), and Mrs (Brigitte Bernadel). The magistrate says he fired them for lack of discipline and for abandoning their posts. Also, they were reportedly Manigat people; that is, they were involved in too many things at city hall during Manigat's reign.

For their part, these employees told us that they were never given any letter of censure nor were they ever criticized. They say this is only a pretext being used by the magistrate. They are, for their part, awaiting a document from the Department of the Interior, because Mrs (Brigitte Bernadel) has been working at city hall for 22 years. (Yves Andre Bernadel) has been working there 8 years and Mrs (Wednesday Rene) for 5 years. Mrs (Rene) told us that the magistrate had tried to seduce her and that was why she had been fired.

This has caused a big fuss in town and the population hopes the pertinent department is going to put a stop to this situation, which is deteriorating every day.

Also, the young people in Miragoane celebrated a mass on 13 August in celebration of the 1st anniversary of the hunger strike by seven young people at the Port-au-Prince cathedral in solidarity with Father Aristide. [passage omitted]

And finally, peasants in Letale have formed an association called APL, which stands for Letale Peasants Association [Asosyasyon Peyizan Letale], to see if they can improve their difficult situation. They say only the priests and the section chief ever visit them, and that the section chief is the only government official who ever comes over. [passage omitted] The association already has 73 members.

St Lucia

Police Chief on 'Escalating' Drug Situation

FL1708162388 Bridgetown CANA in English 1938 GMT 16 Aug 88

[Text] Castries, St Lucia, Aug 16, CANA—Police Commissioner Cuthbert Phillips said Tuesday the fight against drug dealers corrupting the St Lucia Police Force was "the biggest headache" facing the department. He also said in a statement there were question marks concerning the loyalty of some policemen and customs officers, that drug dealers were becoming more sophisticated in their illegal business, and the cocaine derivative, "crack" was the main drug offered by dealers.

Lamenting what he called the corrupting and destabilising of the forces of law and order by drug dealers, Phillips said: "...Easily, the biggest headache facing the police is that of fighting off attempts by drug dealers to corrupt their men."

He said police statistics point to an escalating drug situation with the dangerous crack becoming increasingly the choice of dealers.

"At the airports, the majority of the drugs we are getting is crack. The reason for this is that the commodity is now almost dirt cheap, within the reach of everyone, "the commissioner remarked.

Police statistics show that while the department seized 10.4 ounces of cocaine in 1986 so far this year nearly 18 pounds of the drug have been confiscated. Of 41 persons charged with drug offences this year, 17 have been convicted.

Phillips said police intelligence suggested there were many young banana farmers using their hard-earned money to buy crack. The commissioner said it was noticed that some of the dealers had moved out of the capital, Castries, and were now focusing on certain banana producing areas.

Phillips complained that this development could have devastating effects because after some time when the young farmers became hooked, "they will begin to squander every penny they make from bananas on supporting their habit and they will not even be able to continue working their plantations."

Trinidad and Tobago

Government Announces Currency Devaluation

FL1708141088 Bridgetown CANA in English 1346 GMT 17 Aug 88

[Text] Port-of-Spain, Trinidad, Aug 17, CANA—Following is the full text of the Trinidad and Tobago Government's currency devaluations announcement on Tuesday night:

"Following a special sitting of cabinet, Prime Minister and Minister of Finance and the Economy, the Honourable A.N.R. Robinson tonight announced an adjustment in the exchange rate of the TT dollar to the U.S. dollar from TT3.60 dollars; U.S.1 dollar to TT4.25; U.S.1 dollar. The decision will take immediate effect.

The announcement was made following all day meeting between Prime Minister Robinson, the Governor of the Central Bank William Demas, and technical advisors on the foreign exchange situation.

The decision to adjust the exchange rate immediately was taken to protect dwindling foreign exchange reserves and improve the country's international competitiveness.

This measure, which was part of a package to be announced in parliament of Friday has been brought forward in order to arrest increasing pressure on the reserves occasioned by speculative reports circulating both on the external and domestic scene. These reports have tended to adversely affect the investment climate.

The medium term programme setting out other measures to adress the economic situation in the next years will be presented in parliament by the prime minister of finance and the economy on Friday.

A seven year planning framework proposed by the national planning commission has already been published for public discussion and a public sector programme which sets out a cluster of projects for implementation has also been prepared and will be laid on the table in parliament".

President Stresses Respect for Political Freedom

PA1508200088 Mexico City UNOMASUNO in Spanish 11 Aug 88 pp 1, 8

[Article by Marco A. Mares]

[Excerpts] Yesterday President Miguel de la Madrid said that in the subsequent phases of the electoral process, his government and the PRI will continue respecting the political freedoms of all adversary parties and will also guarantee public order, without which neither democracy nor freedom is possible.

He said that the executive branch has been patient and prudent, adding: "I plan to continue maintaining these qualities that are so in line with a truly revolutionary attitude and a deep, democratic faith."

During a dinner held at a Mexico City restaurant by members of the PRI legislative faction in the 53d legislature, President de la Madrid said that the PRI is the party in power and will continue being the party in government—respecting freedom, promoting democracy, building justice, and guaranteeing peace to the Mexican people.

He stressed that the electoral process was conducted with complete respect for the freedoms of expression, criticism, and demonstration, and that in subsequent phases of the electoral process, the PRI and "obviously the government will continue to be faithful to their deepest democratic convictions."

As a majority party, he added, "we have fulfilled our responsibility of being a mature and calm party, at all times safeguarding the nation's peace, avoiding violence and provocations, because we know that this is what the Mexican people demand from us: peace, freedom, and tranquillity—because without these fundamentals, democracy is endangered."

The president said that during the electoral campaign, there was full respect for the freedoms of the political parties, which enjoyed extensive open and public financial support, ample radio and television time, and a press that has not had the slightest restriction imposed on it during this administration. De la Madrid said: "That is what we PRI members wanted, and that is why we are satisfied." [passage omitted]

He further stressed: We PRI members do not view our political opponents as enemies but as adversaries competing before the nation's public on the basis of platforms, principles, and programs.

He indicated that because of the current situation, progress in the nation's democratic system must be stressed, using as examples the constitutional reforms and the new Federal Electoral Code.

It has been demonstrated in the recent elections, President de la Madrid added, that these political reforms—which were jointly undertaken by the executive and legislative branches—are an important milestone in the development of the nation's democracy. [passage omitted]

President Favors External Audits of Government

PA1508193388 Mexico City EXCELSIOR in Spanish 9 Aug 88 pp 1-A, 10-A

[Article by Carlos A. Medina]

[Excerpts] Yesterday President Miguel de la Madrid said that the government is not intimidated by accusations that the prosecution of dishonest government officials is "politically motivated." "One could say that we take such actions for political reasons," but that is because "we cannot allow acts of treason against the country and against the government to go unpunished," De la Madrid said.

De la Madrid acknowledged that even though the economic crisis is a result of many internal and external factors, there is "an obstacle to our economic and social development, which is the improper management of resources, both in the private and public sectors of our economy." This situation undermines efficiency and productivity.

The preceding statements were made by President Miguel de la Madrid during the meeting of external auditors of parastate enterprises that was held in the presidential palace. Detailed reports were submitted during this meeting—one of them by Ignacio Pichardo Pagaza, secretary of the Federal Comptroller General's Office—on the audits that have been conducted in the federal government's enterprises.

President de la Madrid said it is of utmost importance to have available clear, objective information on public finances. "This will allow the incoming administration to know what it has available, and this administration will have the peace of mind of knowing what we are handing over." Therefore, I have ordered the Federal Comptroller General's Office to allow external auditors to make a special audit of the 1st half of 1988 and give a detailed report to the new government, the president said.

De la Madrid said the audit and control of public funds by independent auditors helps to guarantee objectivity. [passage omitted]

De la Madrid said that at the end of this administration there will have been 3,111 audits in 5 years—more than 600 in each fiscal year. [passage omitted]

FDN's Cardenas Disavows Apantzingan Incidents

PA1808004988 Mexico City XEW Television Network in Spanish 1300 GMT 17 Aug 88

[Text] Yesterday Cuauhtemoc Cardenas, leader of the National Democratic Front [FDN], said that the incidents in Apatzingan are acts of provocation that are in no way related to the struggle in defense of the people's will that the FDN is waging within the framework of the Constitution. Cardenas presided over a meeting in front of the Telefonos de Mexico offices. He said the opposition deputies and senators who will participate in the 54th legislature will act with the sense of responsibility demanded by the nation's popular forces to achieve a truly democratic transition.

Cardenas called for the total clarification of the electoral results so the figures can be compared with the opposition parties' figures. He said: Mexico is in a decisive period of change, supported by the masses, who are demanding that their votes be respected.

The FDN leader said the struggle for the defense of the majority's decision should include a demand for true opportunities and a new electoral code. He added that the opposition parties will have to legislate to give the workers freedom of political affiliation.

Meanwhile, Jose Mendoza, National Action Party candidate for deputy in Zelaya's 8th electoral district, who staged a march to Mexico City recently, has begun a hunger strike in front of the Independence Monument to demand recognition of his electoral victory.

Reportage on Visit of Japanese Foreign Minister

Minister Uno Arrives

OW1608044888 Tokyo KYODO in English 0328 GMT 16 Aug 88

[Text] Mexico City, Aug. 15 KYODO—Japanese Foreign Minister Sosuke Uno arrived in Mexico Monday for a 4-day visit to attend a ceremony marking the centenary of Japan-Mexico relations.

On arrival at Mexico International Airport, Uno said in a statement Japan will cooperate with Mexico as much as possible on economic reconstruction and debt issues.

Uno said Japan will study support measures for Mexico through international organizations such as the International Monetary Fund (IMF).

Uno also said Japan will promote dialogue with Mexico as Pacific nations to contribute to world peace and prosperity.

Uno will attend the centenary ceremony to be held at the Mexican Foreign Ministry Tuesday.

During his visit Uno will also meet President Miguel de La Madrid, Foreign Secretary Bernardo Sepulveda and Planning and Federal Budget Secretary Carlos Salinas.

Uno Meets de La Madrid

OW1708044688 Tokyo KYODO in English 0325 GMT 16 Aug 88

[Text] Mexico City, Aug. 16 KYODO—Mexican President Miguel de la Madrid asked visiting Japanese Foreign Minister Sosuke Uno tuesday for Japan's help in relieving the country of its economic plight.

Uno promised the president that Japan would give the matter serious attention

He also said Japan would cooperate with Mexico and other countries in solving their cumulative debt problems within an international framework.

The president told Uno that Mexico is considering asking for special relief measures from the World Bank and the international Monetary Fund (IMF), and that his country would soon brief Japan on the contents of those special measures.

Japan is planning to cooperate with Mexico's "securitization of debts" policy by offering an interest guarantee to help solve its debt problem.

Uno handed a letter from Prime Minister Noboru Takeshita to the president which said that Japan would help deal with the debt problem through international channels and that the prime minister would like to visit Mexico if given a chance.

Uno also met his Mexican counterpart Bernardo Sepulveda Amor to discuss mainly economic issues in Central and South America.

Uno said Japan will promote talks with the "Rio Group" which comprises eight Central and South American countries, including Mexico and Brazil.

The Japanese and Mexican foreign ministers agreed that Uno would meet with the foreign ministers of the "Rio Group" member countries when he attends a United Nations General Assembly in New York late September.

The Mexican foreign minister also expressed his concern about the Nicaraguan issue and called for Japan's cooperation in reconstructing Central America and helping refugees.

Uno said political stability in Central America is indispensable to world peace and indicated Japan's welcome of Mexico's move to join the Pacific Economic Cooperation Council (PECC).

Uno later met Planning and Federal Budget Secretary Carlos Salinas de Gortari, next president designee.

The secretary told Uno that he wants to visit Japan at an early date after assuming the presidency on December 1 and conclude a new trade and investment agreement with Japan.

Uno, Sepulveda on Debt

PA1708184188 Mexico City XHTV Television Network in Spanish 0200 GMT 17 Aug 88

[Report by Hector Jaime Mendoza]

[Text] Today Japanese Foreign Minister Sosuke Uno announced that his government is planning to cooperate fully in resolving Latin America's foreign debt problem. Speaking during the ceremony to mark the first centennial of Mexican-Japanese relations, Foreign Minister Uno said that the foreign debt problem is so important that it not only concerns the area's countries, but is of concern for the world economy. In this regard, he proposed resolving the problem through joint efforts.

The Japanese foreign minister said that efforts must be made to resolve the foreign debt problem affecting Latin American countries with average national revenues. He said that regarding his government's announcement of an allotment of funds for Latin America, $1 billion drawn from a $4-billion program have already been earmarked as a contribution to help the debtor countries increase their exports and improve their economic structures. He also said that Japan will seek ways to resolve Central American political problems.

Mexican Foreign Secretary Bernardo Sepulveda Amor said that Japan's constructive approach in assisting in the reorganization of our foreign debt and Japan's contribution in creating new lines of credit are evidence of a relationship based on respect and friendship.

[Begin Sepulveda recording] Japan's behavior and its willingness to cooperate with developing countries open new and promising possibilities for complying with our commitments without postponing or ruling out attending to the debtor countries' urgent needs for growth and development. [end recording]

Officials from Mexico and Japan as well as special guests from the diplomatic corps accredited in Mexico attended the ceremony.

UNO on Debt Reduction

OW1808042288 Tokyo KYODO in English 0209 GMT 18 Aug 88

[Text] Mexico City, Aug. 17 KYODO—Mexico's debt-to-equity swap program to reduce its swollen foreign debt is a wise choice, and Japan will consider guaranteeing interest payments on bonds Mexico issues under the scheme, Japanese Foreign Minister Sosuke Uno said Wednesday.

Uno, who is on a 3-day official visit to Mexico until Thursday, told a press conference that he would hold immediate talks with Prime Minister Noboru Takeshita and Finance Minister Kiichi Miyazawa after he returns to Japan on the issue of the massive foreign debts of middle-income countries such as Mexico and Brazil.

The debt issue should be considered from a medium-to-long-term view within the international framework, Uno added.

Mexico's program includes exchanging some of its debt to foreign commercial banks for new, 20-year government bonds.

The bonds are backed by 10 billion dollars worth of special securities issued by the U.S. Government.

Mexico is expected to pay about 2 billion dollars for the U.S. 20-year, zero-coupon bonds, which pay no interest but are issued at a sharp discount of their face value.

Some industrial countries are discussing plans to guarantee interest payments on bonds issued by Third World countries under debt-equity conversion programs.

With regard to Japan's diplomatic relations with Latin America countries, Uno said Japan is willing to make contributions to promote economic and political stability in the region.

As part of the contributions, Japan will extend aid to war-worn countries in the region, including Nicaragua, to help them reconstruct their economies and to aid refugees, without interfering in their domestic affairs, Uno said.

Commenting on multilateral cooperation among Pacific-rim countries, including Latin America, Uno said Japan will study the possibility of such cooperation based on opinions expressed at international forums such as the Pacific Economic Cooperation council.

Briefs

Oil Revenue Drop

Fernando Hiriart, secretary of energy, mines, and parastate industry, has announced that Mexico lost $700 million from January to August due to the drop in oil prices. The government official added that the government will continue explorations for new oil deposits. Current reserves amount to 69 billion barrels of crude oil. [Summary] [*PA1408181788 Mexico City EL DIA 7 Aug 88 p 5*]

Debt Service Payments

The Finance and Public Credit Secretariat reported that from January to July 1988, payment for servicing Mexico's debt—domestic and foreign—absorbed 65.5

percent of the government's expenses and increased the public deficit by 15 percent. The official added that the federal government spent 37.3 trillion pesos—of which 25 percent corresponds to the foreign debt—during that period of time. [Summary] [*PA1608172888 Mexico City EL DIA in Spanish 11 Aug 88 pp 1, 8*]

Costa Rica

Tanzania's Julius Nyerere Arrives in San Jose

PA1708224188 San Jose Radio Impacto in Spanish 1830 GMT 17 Aug 88

[Text] Costa Rican President Oscar Arias had lunch with former Tanzanian President Julius Nyerere at noon today. Yesterday Nyerere arrived in San Jose from Nicaragua on another leg of his goodwill tour through Central American and Caribbean countries.

At Juan Santamaria Airport, the African leader was welcomed by Costa Rican Social Democratic Party leaders, including Legislative Assembly Vice President Lyndon Cruikshank.

Nyerere was presented as one of the founders of modern socialism who helped establish democratic socialism in Tanzania.

He met with anti-Sandinist leaders in Managua and visited the country's Atlantic Coast. He was accompanied by Interior Minister Commander Tomas Borge.

In Costa Rica, Nyerere will pay a courtesy visit to the Latin American Democratic Studies Center, CEDAL, where Central American social democratic politicians will meet. It has not been reported how long he will stay in Costa Rica.

El Salvador

Duarte Reported in 'Very Critical' Condition

PA1708125088 San Salvador Radio Cadena YSKL in Spanish 1224 GMT 17 Aug 88

[Text] According to reliable sources, President Jose Napoleon Duarte's condition is very critical. We were told his prognosis is guarded. It is thought he will not undergo the third phase of his chemotherapy treatment.

His stomach and other vital organs have been damaged by cancer. The government is expected to issue an official report on the president's health in the next few hours. However, we must report that President Duarte's condition is very critical.

Bulletin Released

PA1808050788 San Salvador Canal Doce Television in Spanish 0308 GMT 18 Aug 88

[Report by Ernesto Rivas]

[Text] President Duarte is in critical condition as a result of a low white-cell count, which is a direct result of his chemotherapy treatment. The information was revealed by the president's private secretary, Dr Eduardo Colindres, who added that the president's condition is normal in general terms. Colindres also denied that a delegation of U.S. doctors will soon arrive in the country to check the president. Nevertheless, he admitted that in the next few hours Engineer Duarte will receive one of the doctors who treated him at Walter Reed Hospital, but he added that the visit had already been scheduled:

[Begin Colindres recording] President Jose Napoleon Duarte has suffered a drop in his white-cell count as a direct consequence of his chemotherapy treatment. This secondary reaction is normally evident between the 7th and 15th day after chemotherapy has been applied. It has been necessary to isolate the president in his house, to prevent and avoid any contagion that might take place in this type of case. The president is currently being protected with broad spectrum antibiotics and his general condition is good and stable. His mental condition is more than satisfactory. The bulletin has been signed by Dr Benjamin Interiano, Dr Jose Michaca, and Dr Luis Alonso Collazos, the physicians who are in charge of his case. [end recording]

Dr Colindres' short report has overcome any speculation about Eng Jose Napoleon Duarte's health and all the rumors that the president is in a critical state.

Blandon on Army Position on Refugees' Return

PA1608184188 San Salvador Canal Doce Television in Spanish 0300 GMT 16 Aug 88

[Report by Alfredo Villareal on interview with General Adolfo Blandon, chairman of the Joint Chiefs of Staff, at the Atlacatl Battalion headquarters—date not given]

[Text] General Adolfo Blandon, chairman of the Joint Chiefs of Staff, demanded respect for Salvadoran law, following the difficulties experienced by the caravan of 1,800 refugees from Mesa Grande, who were accompanied by foreigners who tried to stay with them all the way to their settlement camps:

[Begin Blandon recording] Some of the foreigners had no documents. It is about time for foreigners to learn that the country's laws must be respected. Everywhere in the world it is this way, and we are no exception. We will not allow foreigners to freely come into our territory and do what they please.

Another problem was the great quantity of vehicles carrying UNTS [National Union of Salvadoran Workers] members, which could also have created very serious problems because the roads toward Teosinte and (Guascila) are very narrow and a traffic snarl could have resulted. That is why they were detained at the center of Colima and told of the problems they would face if they tried to go through in their vehicles. [end recording]

The high-ranking military official reported that the Army will maintain control over the camps, because they are inside the country. He also alluded to a kind of connection between the guerrillas and the refugees:

[Begin recording] [Blandon] Their entry is going to cause the military one more problem, because terrorist groups always try to find shelter with civilians when the Army carries out military operations in the area. Salvadorans have a right to be in our country, and that is why we did not raise any objections.

[Reporter] Many refugees accuse the Armed Forces of violating their rights at various camps in El Salvador.

[Blandon] I believe that among the hundreds of refugees, there are individuals who are FMLN sympathizers. You can therefore expect them to discredit the Armed Forces. [end recording]

Gen Blandon said this while attending the swearing in ceremonies at the Atlacatl Battalion headquarters for 143 soldiers as part of the first training course for rapid deployment battalions. According to information we have gathered, this training is for small, new tactical forces and was first used in the Army's latest operations in northern Morazan Department.

While new professional methods are used in the armed conflict, such as new training within the warring factions, the refugees comprise a group that cannot be ignored. The refugees demand an end to the war—or at least to be allowed to live in peace—because they are definitely the ones most affected.

Foreign Ministry Comments

PA1708174488 San Salvador Canal Doce Television in Spanish 0300 GMT 17 Aug 88

[Text] Today the Salvadoran Foreign Ministry announced that the government is fully observing the humanitarian guidelines concerning the international protection of refugees. A Foreign Ministry communique states its recognition of the importance of the agreements on repatriated citizens signed with the Honduran Government and the UNHCR [UN High Commissioner for Refugees].

The Salvadoran Foreign Ministry stated that the government respects the principle that a refugee can voluntarily return to his country of origin, adding that this respect derives from a broader respect for current constitutional principles. The official communique also condemns and regrets that the return of the Salvadoran refugees is being hindered and exploited by subversive groups for negative purposes far removed from any humanitarian considerations.

Handal on Fighting, FMLN Relations With FDR

AU1708103688 Sofia RABOTNICHESKO DELO in Bulgarian 16 Aug 88 p 4

[Interview with Shafick Jorge Handal, general secretary of the Central Committee of the Communist Party of El Salvador, by Vasil Mikulash, BTA correspondent in Havana; date and place not given: "Democratic Forces Activate Their Efforts"]

[Text] Recently Shafick Jorge Handal, general secretary of the Central Committee of the Communist Party of El Salvador and member of the General Command of the Farabundo Marti National Liberation Front, met Vasil Mikulash, BTA correspondent in Havana, and was kind enough to answer his questions, especially for RABOTNICHESKO DELO.

[Mikulash] What are the characteristics of the political situation in El Salvador?

[Handal] The crisis in which the government of Napoleon Duarte and his party find themselves has been exacerbated in recent months in El Salvador. It affected various state institutions of the executive branch. The Christian Democratic Party split into several factions and lost its majority in the parliament. The authority of Duarte, as president and leader of the Christian Democratic Party, significantly decreased. This is also the result of the failure of the "low intensity" strategy in fighting against the revolutionary forces, which has been applied under U.S. pressure.

From a military point of view, the "low intensity" strategy represented a fundamental reorganization of the troops—the personnel increased fivefold, the troops began training in guerrilla warfare tactics, and modern equipment was introduced. A rapid and final defeat of the FMLN was expected. It was assumed that the factor of the people's support could be eliminated. However, the result was completely opposite to the expectations. The troops suffered a serious defeat, especially in terms of an increased number of military casualties. Since the beginning of the year there has been a daily average of 20 such casualties.

We succeeded in defeating the concept contained in the famous "low intensity" strategy in general, and we specifically defeated its military aspect. This also created a certain distrust toward this strategy among the troops' commanders. An inclination toward a new concept can be observed now, namely, the concept of the "total war." This consists of a war aimed at eliminating the partisan forces; reprisals against the population which supports the FMLN in the "war zones"; smothering the workers, public, and all progressive movements in El Salvador; and a war against all democratic forces which adhere to restoring the national sovereignty, and against all those who do not think that the FMLN can be defeated militarily. This is a desperate effort which is aimed at winning the war within several months. On the basis of our experience of the last 8 years we can say with a deep conviction that this effort is doomed to fail, and that it is already failing.

The political crisis is gradually affecting the military circles and forebodes a crisis in the Army. The tension is rising, and in the next few months El Salvador will turn into a critical area in Central America. This is being determined by the objective development of the events—the political crisis in the leading circles and the ascent of the revolutionary, democratic, and people's forces.

[Mikulash] To what degree does the civil war in El Salvador depend on the political and military situation in the Central American region?

[Handal] The White House is making all efforts to ensure that its policy in El Salvador, both as a concept and in practice, is adopted by the next administration. However, the failure of this policy in El Salvador falls within the general category of the failure of the same policy in the entire region of Central America. Thus, Nicaragua, for example, is searching for its own independent road, regardless of the difficulties created by the United States and the blockade. The world also is familiar with the failure of U.S. policy aimed at destabilizing Panama.

The people of Honduras are decisively opposing the U.S. military presence in the country and the position of the government and Armed Forces, which succumb to Washington's manipulation. Recently the U.S. Administration has made great efforts to draw the Honduran Army into the war in El Salvador. Since March, the penetrations of the Honduran Army into the territory of El Salvador and attacks at the rear of the FMLN armed forces, more specifically in the departments of Chalatenango and Morasan, have become more frequent and systematic. There have been casualties both on the part of the FMLN and the Honduran troops. The Honduran troops are actively cooperating with the troops of El Salvador by allowing them to build their operational bases in Honduras and attack the rear of the FMLN units.

One must point out another very important factor in maintaining military tension in Central America, namely, the frequent staging of prolonged U.S.-Honduran maneuvers. Since the beginning of May these maneuvers have been taking place in the immediate proximity of the border of El Salvador, in the departments of Lempira, Tibuca, and La Paz, which border on the El Salvadoran departments of Chalatenango and Morasan—the two basic rear zones of the FMLN. In addition, U.S. troops are assisting the Honduran units, which penetrate our territory and facilitate the development of cooperation between the troops of Honduras and El Salvador in operations against the FMLN.

We denounce these activities and seek the support of the international public in stopping this escalation of the Central American conflict.

[Mikulash] What is the significance of the alliance between the FMLN and the Revolutionary Democratic Front in the political struggle of the democratic forces in El Salvador?

[Handal] Our alliance is the foundation of national unity and the basis of forming a broad front of all democratic forces for resolving the conflict in the country by political means. Our relations are based on common political goals. Today these relations are stronger than ever. The government is striving to disrupt our alliance and to make the severing of relations between the FMLN and the FDR as a precondition for allowing the FDR leaders to enter the country. However, the FDR leaders came to El Salvador, they were cordially greeted by the people, and they publicly announced the alliance with the FMLN. The government and the Army were forced to accept this real fact.

It is wrong to assume that the FDR is the "political arm" of the FMLN. The FMLN comprises 5 political parties, which have their own military organizations. The difference between the FDR and the FMLN is that the FDR is only a political, while we are a military-political organization. We are allies and have a common program; however, the existing ideological differences still remain.

Briefs

PCN Presidential Slate

Today the National Conciliation Party, PCN, announced that Alejandro Dagoberto Marroquin will be the party's vice presidential candidate in the 1989 elections. Marroquin, a long-time member of the PCN and a businessman, has been nominated to run with presidential candidate Rafael Moran Castaneda, who was nominated by the PCN a few days ago. [Summary] [*PA1708223188 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 August 88*]

Guatemala

Diplomats: 'Technically' Coup Carried Out

LD1708192688 Madrid Domestic Service in Spanish 1904 GMT 17 Aug 88

[Text] In Guatemala there are rumors about a coup d'etat. A report from our correspondent Juan Luis Diaz Prats:

[Prats] According to Latin American diplomatic sources, technically a coup has been carried out. It was led by two powerful generals who are thought to have negotiated political and military conditions with Defense Minister General Gramajo, who, up until now, appears to have been the main defender of democratic constitutionality. The sources do not know if these negotiations were approved by President Vinicio Cerezo. In the opinion of some sources, U.S. diplomats are stopping the coup. Other sources believe that the Americans are using the military to exert pressure on Cerezo.

Finance Ministry Workers Begin 8-Hour Strike

PA1708192888 Panama City ACAN in Spanish 1847 GMT 17 Aug 88

[Excerpts] Guatemala City, 17 Aug (ACAN-EFE)—Today over 20,000 Finance Ministry employees peacefully began an 8-hour strike, despite the threat that legal action might be taken against them.

The Finance Ministry Workers Union called the strike to pressure the government into revoking what the union describes as its "disastrous economic measures."

Emergency committees, made up of the government employees themselves, at 0800 (1400 GMT) blocked the entrance of the Finance Ministry in the city's downtown area, 1 km south of the Government Palace, to keep taxpayers out.

The police and Rural Guard have been keeping a close watch on the 18-floor building. [passage omitted]

Manuel Meneses, secretary general of the Finance Ministry Workers Union, said that the workers are also demanding that the government revoke the hike in fuel prices and transportation fares and annul the deregulation of basic food product prices.

In addition, they are calling for the "immediate" reclassification of positions and wages—retroactive to January—ratification of international conventions on human rights, and respect for the country's Constitution.

The workers are demanding an "end to the repression of labor activists, students, and the people," approval of the state's pension plan, and lifetime pensions for 45,000 widows and 120,000 orphans who are the victims of "repression from 1978 to 1982."

Meneses said that "it is shameful that the government should be promoting the destabilization of the democratic process by using a demagogic policy to avoid compliance with commitments made to the labor sectors. [passage omitted]

Government Urges Workers To End Strikes

PA1808003988 Guatemala City Cadena de Emisoras Unidas in Spanish 2230 GMT 17 Aug 88

[Text] In a press communique urgently issued today, the government urges striking workers to change their attitude, because they are seriously affecting the national economy.

The government points out that private sector bureaucrats and employees will achieve nothing with their violent measures. Thus, they must immediately end such measures and increase production, which would benefit all Guatemalans.

The official document states that striking employees must immediately resume work.

Archbishop Urges Repeal of Economic Measures

PA1808012988 Guatemala City Cadena de Emisoras Unidas in Spanish 0037 GMT 17 Aug 88

[Text] Today metropolitan Archbishop Msgr Prospero Penado Del Barrio appealed to the government to repeal the latest economic measures, which are causing serious setbacks to the economy of the Guatemalans, who can no longer tolerate them. The top hierarchy of the Guatemalan Catholic Church said the government must understand that its economic measures are provoking an accentuated and growing rebellion on the part of the people, who are the ones most affected by the measures.

The people are affected because they can no longer eat, the metroplitan archbishop stated. Metropolitan Archbishop Msgr Prospero Penado Del Barrio said the people are affected because by not having access to basic staples because of high prices, they are virtually doomed to starve to death. I met with President Vinicio Cerezo yesterday to relay to him the Guatemalans' opinion of the economic measures; I told him the protest demonstrations against the measures should move him to reflection and to repeal the measures, Msgr Penado Del Barrio concluded.

Students Take Over University in Quezaltenango

PA1708212188 Guatemala City Cadena de Emisoras Unidas in Spanish 2040 GMT 17 Aug 88

[Report by Roberto Espinoza Perez]

[Text] The facilities of Western University, CUNOC, in Quezaltenango were taken over last evening by the students. A general assembly was held and it was decided to support the AGUAC's [not further identified] measures and to protest the government's economic measures—which only affect the poor sectors, it was stated.

Consequently, the university's activities will not be allowed to continue until the government reconsiders and annuls the measures, which are inappropriate in every way and only affect the poor sectors.

Therefore, classes were suspended last night at CUNOC in Quezaltenango.

Honduras

Azcona on State of Economy, Achievements

PA1608144288 Tegucigalpa Voz de Honduras Network in Spanish 1825 GMT 12 Aug 88

[Speech by President Jose Azcona on 12 August; place not given—recorded]

[Excerpts] Thank you. I know that without any exceptions, we all feel able to express our opinions, although we often make mistakes, [words indistinct] and spread misinformation.

It seems that some Hondurans believe that we invented the fiscal deficit and that the fiscal deficit appeared during this administration. The truth is that our budget has not been balanced for over 20 years. I do not mean to say that we are pleased with this situation. That is why this government decided to reduce that imbalance to an amount proportional to the gross national product. To

achieve that goal, we not only need the government's honesty, readiness, and austerity, but we also need the determination and honesty of all productive sectors. [passage omitted]

Another topic the public has thoroughly discussed is servicing the debt. This year the service on the debt is as high as 613.6 million lempiras, an amount representing over 34 percent of the national budget. That factor deeply affects the fiscal deficit, but it is also necessary to say that the foreign debt has been increasing for many years. Part of it appeared because of past practices in debt acquisition. Those foreign creditors that granted loans without having conducted studies to fix satisfactory rates for the recovery of that money are also partly to blame for the current debt situation.

The balance of payments, which is affected by the foreign debt, also negatively affects our economy. My administration has made great efforts to increase exports, because that is the sole means by which to reduce the balance of outstanding payments. [passage omitted] I prepared and sent the bill on debt conversion to the National Congress. We hope that bill will soon be approved. We sent the law on industrial processing zones to the Congress and it was approved. In 1986, because of a drop in international coffee prices, we did not hesitate to provide loans for coffee exports and to subsidize that industry to reduce those export taxes. We did everything we had to do to improve our balance of payments.

It is important to point out that my administration increased tax collection without creating new taxes. There has been an increase in tax collection. [passage omitted]

Unemployment is one of the most painful problems we are facing. We do not accept the fact that the head of a household cannot get a decent job to support his family. However, I assert that production rates indisputably show that unemployment has not increased during my administration. For example, this year local consumption of cement will be 450,000 metric tons, while consumption in 1985 was 250,000 metric tons. In other words, cement consumption has increased by 80 percent in 3 years.

It is also important to overcome the habit of reporting negative news. We must stop that trend for the sake of Honduras, not for the sake of one small sector. Let us also report positive news. Let us not only report on negative government actions. [passage omitted]

I want to tell you that we have good news. We have good news concerning the loan that AID will grant us. Before the end of the month, AID will deliver $50 million. In addition, we have even better news. At my office last night, we reached an agreement with World Bank representatives. We will sign an agreement with the World Bank. That agreement will be presented to the World Bank Board of Directors on 15 September. We hope that our ambassador in Washington will sign it immediately so that we can present it to the Honduran Congress, where I do not think its approval will be delayed.

After that agreement [goes into effect], the World Bank and a friendly country will deliver loans to us, and we will also reach an agreement with the IMF. How did we reach an agreement with the World Bank? I am pleased to inform you that one of the elements that contributed to reaching that agreement is the way we used our national budget through 31 July 1988. Government expenditures did not increase, and we exceeded the government's budgeted revenues by over 1 million lempiras. That is undoubtedly a factor that contributed to reaching that agreement.

We made some concessions, such as, for example, an increase in the percentage of the [words indistinct]. This should please that sector's exporters. That increase should be used in such a way that it yields the results that the IMF and World Bank representatives told us it should. The percentage of [words indistinct] will increase. I wish success to the members of that sector and hope they increase their exports.

I believe we must begin forgetting about financing industrial investments and expansions with income tax revenues. We must find other ways to obtain money.

I know that with the private sector's contribution, by maintaining a free market, and by taking into account that there are many needy people we must protect, we will succeed, and God will continue to help us. Thank you very much.

Nicaragua

Obando, Ramirez on Reconciliation Panel Meeting

PA1608222488 Managua Radio Sandino in Spanish 1930 GMT 16 Aug 88

[News conference held by Cardinal Miguel Obando y Bravo, president of the National Reconciliation Commission, and Vice President Sergio Ramirez with unidentified reporters after a commission meeting in Managua on 16 August—recorded]

[Text] [Obando y Bravo] Today the National Reconciliation Commission met with the attendance of Vice President Sergio Ramirez, Minister of the Presidency Rene Nunez, Mauricio Diaz, Erick Ramirez, Dr Parajon, Msgr Bosco Vivas, and myself.

First, the report of the previous meeting was read, as usual. The agenda included the situation of some prisoners held by the Nicaraguan Resistance [RN], the Radio Catolica situation, getting a reply from President Daniel Ortega regarding a possible meeting between him and the commission, and other matters.

We discussed the case of the mothers who have been coming to the cardinal's office in Managua and the case involving Dagoberto Maravilla—a pilot who was downed near Ciudad Sandino—and a letter Commander Tello addressed to me when I interceded for this pilot. We agreed later that a commission should try to determine the whereabouts of this pilot and of the 66 others whose names are included on the RN's list but are missing. A commission—to be composed of Mauricio Diaz and Erick Ramirez—will look into this.

I proposed that the RN release the 66 prisoners anywhere it wishes. The government did not object to this plan. The important thing is for them to be set free.

We also talked about the progress of the dialogue between the Nicaraguan Government and political parties. It was reported the talks have begun and there are preparations for further progress. Somebody stressed the importance of releasing the Nandaime prisoners to contribute toward national reconciliation. The government discussed the possibility of pardoning them but said the pardon should be granted by the legislative Assembly, if I have understood correctly. We will discuss this with the president.

We also considered the possibility of our meeting with President Ortega tomorrow to present these problems to him. We talked about Radio Catolica. It was said this problem should be presented to the president during a meeting with him.

We also proposed the laymen in charge of preaching be exempted from military service. This problem was presented by Dr Parajon, who represents the preachers in Nueva Guinea. Msgr Vivas said this problem had already been discussed. Now you will listen to the other commission members.

[Ramirez] To add to the information provided by His Emminence Cardinal Obando concerning the people who are being tried at the Granada Ordinary Court for participating in the Nandaime incidents, I would like to say that the government knows that these prisoners are under the jurisdiction of the common courts and ordinary judges. These judges come under the Supreme Court of Justice and not under the government, so the government cannot do anything before the judiciary courts to change the course of the proceedings. The proceedings are being conducted in accordance with the independence of each government branch, as prescribed by the Nicaraguan Constitution.

The only recourse the government has in these legal proceedings is to grant a pardon, which the National Assembly could decree. The executive branch has the power to do that. I am talking about a [words indistinct] of legal possibilities, which apply to this case.

[Reporter] What are the possibilties for a resumption of the national dialogue? The participants in the national dialogue have been demanding its resumption since [words indistinct] August.

[Ramirez] At this meeting of the commission, we discussed the reports presented by Mr Erick Ramirez and Mauricio Diaz concerning a rapprochement between FSLN representatives and representatives of various political parties. It was a social, informal meeting, but the FSLN views it as a positive, preliminary step toward reopening the national dialogue, as His Emminence Cardinal Obando said.

The Nicaraguan Government does not oppose the resumption of the national dialogue at all. We believe those first steps and that informal meeting are steps toward that goal.

[Reporter] Did you discuss the possibility of resuming the dialogue with the counterrevolution?

[Ramirez] We did not discuss that at this meeting.

[Reporter] What about the meeting with President Ortega? When will...

[Ramirez, interrupting] The problem is that President Ortega has been busy with [former] Tanzanian President Julius Nyerere's official visit. President Nyerere left Nicaragua this morning, but now His Emminence Cardinal Obando y Bravo, along with other Nicaraguan bishops, must leave for [words indistinct] Rome on Thursday, so we obviously have a time problem. However, we will make all possible efforts to hold that meeting.

[Reporter] Dr Ramirez, in view of the possibility of a pardon for the Nandaime prisoners in accordance with the opposition petition, what will the government ask from the opposition in return?

[Ramirez] We have not talked about that possibility. We talked about a legal resource. I am speaking on behalf of the Nicaraguan Government here, and what the government wants least is to create expectations that could alter the course of the Nandaime proceedings, because we must respect the independence of the judicial branch, which has its own resources.

[Reporter] At the past meeting, political party representatives said that Esquipulas II has many stumbling blocks in view of the Nandaime problems. How do you assess that situation? Has the commission made any progress?

[Ramirez] First, I believe the mere fact that this commission exists and is alive and can communicate is very important. It is also important that this commission is formed by representatives of political parties, government representatives, and representatives of other

national sectors, and that it is headed by Cardinal Obando y Bravo, who is an important figure in Nicaragua's social, religious, and political life.

That is very important, because it is a continuation of the peace process that began in Esquipulas and continued in Sapoa. As far as the Nicaraguan Government in concerned, the peace process is still alive. The proof is that the National Reconciliation Commission is working actively here. I do not know if it is working in other Central American countries. We have the possibility of communication here.

[Reporter] What is the situation concerning Radio Catolica?

[Ramirez] We discussed that also. We told Cardinal Obando y Bravo that we are studying the case and that we will respond at the appropriate time.

[Reporter] Dr Ramirez, how do you assess church-state relations in Nicaragua?

[Ramirez] I would say relations are good, except at certain times when we have expressed different opinions. This is a pluralist society, and a difference of opinion is only logical. I want to reiterate the Nicaraguan Government's belief that Cardinal Obando y Bravo's participation in the process for national reconciliation both as president of the National Reconciliation Commission and as a witness in the dialogue with the counterrevolution is very positive.

[Reporter] Cardinal Obando y Bravo, have you sent any message to the contra movement asking them to agree to meet with the government?

[Obando] I have not sent any message to the contras, because I am not a mediator in this process. I believe we must try to resolve our problems through a dialogue. I hope the Nicaraguan Government will soon meet with the Nicaraguan Resistance to try to make reason prevail over the power of weapons.

[Reporter] When will you meet with the mothers? Every Thursday they come here to beg you to meet with them...

[Obando, interrupting] We met with them already. I and my auxiliary bishops have met with them.

[Reporter] Will you go with them to look for their relatives?

[Obando] Lawyers Mauricio Diaz and Erick Ramirez will go with them. They will soon put their boots on and go to those mountains. Thank you very much.

[Reporter] [Question indistinct]

[Ramirez] The counterrevolutionary forces sporadically violate the truce. They have carried out several terrorist attacks, including the one on the ship on the Rama River. According to our reports, there is a massive exodus of contras toward Honduras. That is the fact we are assessing militarily.

[Reporter] What are the positive results of the peace process in practice? [passage indistinct]

[Ramirez] That will always depend on the U.S. Government's attitude, because it wants to provide military and material support for the decaying contra forces, who have no other choice but to return to Honduras from where they came.

Radio Sandino Reports Contra Withdrawal

PA1808005588 Managua Radio Sandino in Spanish 1930 GMT 17 Aug 88

[Excerpt] After 8 years of fruitless struggle against the Nicaraguan Government and the killing of more than 50,000 people, the contras are withdrawing. Several thousand demoralized soldiers have already fled through the mountain pass between Nicaragua and Honduras.

Witnesses have reported that during the past weekend alone, some 1,000 contras arrived in Honduras. Internal conflicts, lack of popular support, and the reduction in U.S. aid have weakened the contras. Mercenary sources currently estimate that their combat forces inside Nicaragua number about 2,000 men, who through sabotage and armed attacks are trying to keep pressure on the Managua government. This is the fewest number of contras in years. Contra spokesman Bosco Matamoros admitted this fact with these words: Our position has clearly weakened. I do not believe we are currently able to continue the offensive.

The Honduran military is already considering the possibility of a mercenary forces' defeat, and it is preparing camps to receive the vanquished. With no U.S. aid and in view of the contras' desperate condition, the war will soon end. Unlike the Salvadoran guerrillas, the contras cannot count on their own forces or on receiving sufficient local support. The contras depend on direct U.S. support. [passage omitted]

Starving Civilians Contra Publicity Action

PA1808030688 Managua Radio Sandino in Spanish 1930 GMT 17 Aug 88

[New conference held by EPS Military Intelligence Chief Major Ricardo Wheelock with unidentified reporters; date and place not given—recorded; broadcast in progress]

[Text] [Wheelock] ...who operates in the 5th Military Region, known as Ali, with whom we have had some talks. About this same time of year, he left for Honduras with his forces of some 250 men to receive training, rest,

and complete and renew his forces. This year, he was instructed to take as many people as possible to Honduras. He thus proceeded to take the entire social base the FDN had, in addition to a large number of kidnapped people who were forced to walk to a place on the Honduran border known as Banco Grande. This contra leader also received instructions that in the final stage of the journey, about some 15 days, he should not give any food to the civilians, so upon their arrival in Honduras they would appear—as they in fact were—barefoot, starving, and sick. The interesting point is that they have not been able to prove yet how the Ali gang members arrived in Honduras fully dressed, wearing boots, well-fed, and with their weapons.

We must also mention here that the complicity of the Honduran Army and Government are once again proven, because when these people arrived at Banco Grande transit camp, some FDN forces were transported in helicopters provided by AID. A huge show also had been prepared for the reporters, which is what has recently been published in the newspapers. There was coordination between the forces entering Honduras, the Honduran Armed Forces, and these reporters, who want to show photos of a starving force, when in fact the kidnapped people are the ones who were actually famished, starving, and sick, and who were forced by the [words indistinct] and taken to Honduras.

This undoubtedly is part of a campaign promoted by the U.S. State Department and its Central American lackeys to show a defeated and starving conterrevolutionary force that must be helped. The State Department has openly reported that 70 tons of food have been delivered to the contras in the past 10 days—which is also an excuse to continue using territory of neighboring countries in an open violation of the Esquipulas agreements and the Sapoa agreements, which specifically state the Nicaraguan Government... [corrects himself] the contras have to reach an agreement with the Nicaraguan Government for the delivery of this aid.

Moreover, the revolutionary government is shown internationally as the one not allowing the delivery of that aid inside Nicaraguan territory when we, during the most recent talks with Mr Reagan's counterrevolutionary forces, expressed our willingness to deliver the food inside Nicaragua. Mr Reagan's counterrevolutionary forces have always been the ones refusing to accept not the conditions but rather the proposals by the revolutionary government.

In sum, certainly some of the 20 people who died because of the journey that lasted over 30 days died of hunger. It is true they arrived in Honduras in poor shape, but those in bad condition were the civilians, the kidnapped citizens—taken to Honduras by the contras—who are being used to show the U.S. people the need to grant not the humanitarian but the military aid so they really turn into a belligerent force.

We must emphasize and point out the great dependency these forces have on the U.S. Government. The Reagan counterrevolutionary forces cannot carry out any military operation without U.S. intelligence and logistical aid; the Honduran Government aid, which permitted the use of its territory; and the aid and training the United States gives to those forces. In addition, we must mention the U.S. aid to the contras by planning the operations they have carried out in the past.

At this time the contras are paying for their dependency by appearing not as a contradiction between the revolution and their own people but as a contradiction between the Nicaraguan people's revolution and the United States; that is, by not having a support base inside Nicaragua, the contras have to go to Honduran territory, where the United States is ready to provide food and the military aid they need to continue attacking the Nicaraguan people.

[Reporter] Major Wheelock, I would like to get your opinion on how could one understand what the various representatives in various countries are saying: The poor contras—famished, starving—give them some aid no matter where it comes from.

[Wheelock] First, we strongly reject this kind of remark, regardless of where it comes from, because the counterrevolutionary forces are irregular, terrorist forces, and those who advocate—whichever government representative it may be—the above would be approving the crime, the terrorism, and all the repercussions this would have for all countries in the world and all Central American countries. We do not believe any one would say: The poor Nazis; they are starving and should be given food. That is strongly rejected by us and by all progressive and naturalist forces in the world as something completely unacceptable.

4 Children Killed in Contra Cooperative Attack

PA1708235588 Managua Radio Sandino in Spanish 1930 GMT 17 Aug 88

[Excerpt] Four children were murdered and seven others were wounded as a result of a terrorist attack carried out this morning on a cooperative in Jinotega by the mercenaries that Washington is now presenting as starving to death because of the Sandinist government's wickedness.

Four adults, among them two women, were wounded, according to the following report by Radio Sandino correspondent Francisco de Jesus Rodriguez:

[Begin recording] This is a report from Jinotega for Radio Informaciones. The Monterrey cooperative, located close to San Francisco de los Cedros, 40 km northeast of Jinotega, was subjected to a cowardly and criminal attack by the counterrevolution last night at 2000. Today at noon, six people were reported wounded and were taken immediately to the emergency ward of the (Abin Janun) hospital in Jinotega. Among those who

suffered serious shrapnel wounds were: Paula Rodriguez Gutierrez, 40, and her children Santos Javier, 10, and Silvia del Carmen Marin Rodriguez, 3. A 2-year-old, Juan Carlos Gonzalez Arauz, is in serious condition and is undergoing surgery. Others wounded in the criminal attack on the cooperative included Juan Carlos and Jose Gonzalez Arauz. [passage omitted] [end recording]

Paper Warned on Implicating Interior Ministry
PA1608170388 Managua LA PRENSA in Spanish 13 Aug 88 p 14

["Text" of letter from first Lieutenant Lissette Torres, director of the Media Directorate of the Interior Ministry, to LA PRENSA Director Pablo Antonio Cuadra—dated 13 August]

[Text] Dear Pablo:

In its 12 August 1988 edition, LA PRENSA published an article entitled "Fate of Escapees Causes Tension in Matagalpa." This article implicitly accuses the Interior Ministry of carrying out a mass murder of 11 inmates who were sentenced by legal courts for violating the Law on Order and Public Security and for conspiring for criminal purposes.

We have strong evidence confirming the circumstances under which the inmates escaped and evidence regarding the circumstances under which Rosa Ordonez Rios died.

LA PRENSA has not requested information from our agency, which would enable the newspaper to base its reports on fully confirmed facts, a practice established in the pertinent law that all media should respect.

We are concerned about LA PRENSA's persistent attitude, for this is not the first time that LA PRENSA has tried to implicate the Interior Ministry in some action by distorting, biasing, and reporting facts out of context [descontextualizacion].

We reiterate to you as LA PRENSA's director that the newspaper must comply with the media's social responsibility to provide truthful and coherent reports, to faithfully represent social groups, and to appreciate and support common social objectives.

I take this opportunity to reiterate my consideration and esteem.

Sincerely,

First Lieutenant Lissette Torres Morales
Chief of the Interior Ministry's Media Directorate
Managua, 13 August 1988

[LA PRENSA] NOTE: We believe that the Interior Ministry should abide by the law by providing on its own initiative all the pertinent information regarding this incident, which would clear up the doubts expressed by a relative of one of the inmates, who merely quoted the military officer who informed her of the incident. LA PRENSA has not distorted, biased, or reported "out of context" (?) anything as charged by Lt Torres. It only reproduced a statement by Carmenza Flores Ordonez, who, like the rest of the inmates' relatives, has the right to inquire about the fate of those who disappeared in the dramatic escape. We would gladly publish any further explanation that Lt Torres may have or may wish to provide regarding this matter.

'Indications' of Division in Communist Party
PA1808002888 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 17 Aug 88

[Text] There are indications of division within the Nicaraguan Communist Party [PCdeN]. A document accusing the main PCdeN leaders of orienting the party toward rightist interests is currently circulating in the country. The document is signed by nine PCdeN dissidents.

The document says PCdeN leaders Eli Altamirano, Allan Zambrana, and Ariel Bravo Lorio are discrediting the party and placing their personal interests before the party's interests. The document also warns about a dangerous rightist leaning, which has been justified on behalf of what the dissidents call a false policy of alliance.

The document disagrees with the association between the aforementioned party leaders and several rightist parties. It states Altamirano and his allies have remained silent when they have been questioned and they continue leading the Communist militants toward a dangerous right-wing trend.

This newscast tried to talk with the PCdeN leaders involved in this issue. Eli Altamirano himself was the first to reject the charges; he did not give much importance to the document. He said the document is a strategy of the state security, although he refused to make that statement on television.

Three Communists who signed the document were at the party offices. Altamirano identified them as Jamileth Bonilla, Flor Argenal, and Angel Hernandez. Hernandez said he was willing to make statements, but he did not have Altamirano's permission.

Yamilleth Bonilla said there are no dissidents in the PCdeN, but she admitted those who do not agree with the party leaders' policy are expelled from the party. Bonilla could say neither how many members the party has nor how many have been expelled.

Altamirano described Luis Vanega, one of the members who signed the document, as an antisocial, and he threatened to break his silence concerning the accusations made against him if the Sandinist newscast reported them.

Radio Catolica Director Requests Reopening

PA1808034488 Managua LA PRENSA in Spanish 16 Aug 88 p 4

[Text] Radio Catolica Director Msgr Bismarck Carballo sent a letter to Lieutenant Lissette Torres, director of the Interior Ministry's Communication Media Directorate, referring to the appeal he presented against a resolution Lt Torres had issued suspending Radio Catolica's broadcasts. Msgr Carballo states in his letter that, "as of today, the appeal has not been accepted or rejected, according to your jurisdictional obligation."

Msgr Carballo's letter to Lt Torres says that "this lack of legal action is actually a violation of several articles of our Constitution." Radio Catolica's director then lists in his letter all the articles that have been violated.

The letter mentions, among others, the article that refers to all the Nicaraguan people's equal rights before the law; the article that refers to freedom of thought; the article that advocates the existence and protection of human rights; the full enforcement of the rights stated in the American Declaration of Human Rights and Duties, etc.

Another article mentioned by the prelate's letter refers to the right to "present an appeal and the right to receive a quick solution or reply, and to be notified about the resolution within the deadline established by the law."

Therefore, Radio Catolica's director concludes, "we believe you have not been granted special purviews and you have no valid, practical, or legal pretext to deny that I have the legal right to refute your measure. Also, you have no right to preclude the exercise of the universal right we all have according to the law..."

"You also cannot deny that the 21 Nicaraguans who work in Radio Catolica's different departments as technicians, administrative personnel, professionals, and other positions have the right to a job."

"I believe you can still act in a wise and calm way and remedy the consequences derived from the decision you have adopted," Msgr Carballo's letter concludes.

Panama

Government Closes Two Radio Stations

PA1808050388 Panama City ACAN in Spanish 0310 GMT 18 Aug 88

[Text] Panama City 17 Aug (ACAN-EFE)—Two Panamanian radio stations, "Radio Noticias" and "Radio Estereo Suave," were closed on Wednesday afternoon on orders of the Government and Justice Ministry, and their operating licenses were revoked, according to Carlos Fabrega, the owner of the two stations.

According to Fabrega, the government order that authorized the closures charged both stations with "calling for the disruption of public order."

Sources at the radio station believe the closures are a reprisal for the extensive coverage "Radio Noticias" gave to the funeral of opposition leader Arnulfo Arias last Monday.

"Radio Noticias" commentator Alberto Quiroz Guardia told ACAN-EFE that the two radio stations were closed at 1700 this afternoon when Government and Justice Ministry officials and policemen arrived at the stations' offices, evacuated the stations' personnel without violence, and sealed the doors.

The owner of the closed stations told ACAN-EFE that one of the government officials who participated in the closure said he was "following direct orders of the Commander" (Manuel Antonio Noriega, commander in chief of the Defense Forces and Panamanian strongman).

Fabrega, a well-known member of the Republican Party of deposed President Eric Arturo Delvalle, was director of the National Culture Institute until the ouster of Delvalle by the Panamanian parliament.

According to Carlos Fabrega, attorneys for the company will appeal the closures Thursday morning, claiming that the stations were not guilty of "disrespect for the authorities and did not incite subversion." He added that "Radio Suave" could not be guilty since it is a music station that does not carry newscasts, although it is located on the same premises as "Radio Noticias."

According to the same sources, the closure order, to which ACAN-EFE did not have access, refers to antigovernment slogans shouted by citizens who turned Arias' funeral into a demonstration against General Noriega's regime. The authorities are reportedly accusing "Radio Noticias" of using Arias' funeral for "political purposes."

"Radio Noticias" carried special live coverage of the arrival of Arias' body in Panama from Miami last Saturday night and the subsequent funeral service.

"Radio Noticias" covered the events together with other stations in a "network" that transmitted without interruption what has been described as "the most important demonstration" of all those held against the current Panamanian regime.

Most observers interpret the closure of these two stations as another sign of the regime's hardening in the wake of mass antigovernment demonstrations that took place at Arias' funeral early this week.

[Hamburg DPA in Spanish at 0310 GMT on 18 August reports that Panamanian Government and Justice Ministry authorities denied that the closures were the result

of Radio Noticias' coverage of the Arias funeral since other stations, including Radio Mia, also gave the funeral extensive coverage and have not been closed.]

Solis, Noriega Meet UNADE on Domestic Issues

PA1708032488 Panama City Televisora Nacional in Spanish 2300 GMT 16 Aug 88

[Text] Manuel Solis Palma, minister in charge of the Presidency, Panama Defense Forces Commander General Manuel Antonio Noriega, and members of the General Staff and cabinet are meeting with legislators of the National Democratic Union [UNADE] and members of the Democratic Revolutionary Party's [PRD] National Executive Committee [CEN].

The meeting is being held behind closed doors at the Riande Airport Hotel. According to coordinators of the debate, the topics to be broached include the draft Electoral Code reforms, the political and economic situation of the country, and the candidates for president and vice president of the parliament.

Those attending today's meeting said a definition must be reached between the candidates for president of the Legislative Assembly, Celso Carrizo and Alfonso Sotero. The PRD's CEN is headed by its president, Carlos Duque Jaen.

Esquivel on Need for Political Solution

PA1708135088 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Aug 88

[Interview with Roderick Esquivel by unidentified reporter following Liberal Party meeting held "over the weekend"; place not given—recorded]

[Text] [Esquivel] Despite all the developments, there was an overwhelming number of party members who went there to reaffirm the civic, honest, and ideological character of the Liberal Party. Some differences were noted. Some leaders believe that it is best not to make public our differences and that we should keep our problems to ourselves. One should actually get these things out into the open. That is why we got rid of the bad sectors of the Liberal Party that were ruining our party. I think the party is now cleaned up and that the Liberal Party can now march in defense of civilism and democracy as a genuine opposition party.

[Reporter] Doctor, the country's socioeconomic and political situation is getting increasingly more confusing. For many Panamanians today, especially the poor, what is most important is to seek a solution to the economic problem. What is your view on this?

[Esquivel] I have been asked that question many times and will reiterate what I have always said. The economic problem is caused by local and foreign investors' lack of confidence in the government. All the embezzlement and destruction eroding leading institutions—such as the Social Security Institute, for example—cannot be resolved from an economic standpoint. Tomorrow Panama could receive an infusion of $2 billion, but with the system that we have, where there is no guidance on how that money will be invested, we will fall into the same trap. The problem is political; the problem is political. [repeats himself]

When we resolve our political problems and head toward a democracy that we Panamanians can believe in, then we will restore our economy. This will happen not only through the work of Panamanians, but also through the great faith the industrial powers have in us and the cooperation they offer us to strengthen our democracy. We must decide what institutions should have priority. The Social Security Institute cannot fold; it must be saved even if we have to inject borrowed money or money from whatever source into it, because the Social Security Institute is very important. However, as it stands, no administration could save it.

Therefore, there has to be a change in political thinking. That is what I wish to stress. The IRHE [Hydraulic and Electrification Resources Institute] is an institution that we must save at all costs. The IRHE workers have stated their position, and they want to defend their institution. However, they cannot deal with the style of political intervention and destruction practiced by the government. That is another institution, among so many others, that has to be saved. Therefore, what is really needed is a political rather than an economic solution.

IRHE Union Leader on Employees' Strike

PA1808044988 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Aug 88

[Text] Activities at the Institute of Hydraulic Resources and Electrification [IRHE] remain suspended. Trade union leader Luis Hurtado has this to say:

[Begin recording] [Hurtado] According to our latest reports, 36 fellow workers have been detained, including Secretary General Isaac Rodriguez. As a result, all IRHE employees throughout the country are on a state of alert. Linemen are not working. In addition, the services and complaints department is inoperative. Cashiers are also idle. We are aware that our situation is difficult, but we are willing to tackle it. We will gradually assess the situation and take the necessary measures.

[Reporter] Have your people talked with IRHE administrators to find a peaceful solution so the demands made by both sides can be met?

[Hurtado] The talks were interrupted yesterday afternoon. We had our latest contact at 1545. We must point out, however, that we cannot consider any understanding as long as some of our fellow employees remain under arrest. We have said we will not agree to any payment arrangement between IRHE and customers unless the freedom of all our detained fellow employees

is guaranteed. In addition, we are familiar with the terms of payment negotiated with some consumers before and, frankly, we do not trust them.

[Reporter] Are special services still being offered?

[Hurtado] Yes. We guarantee power to critical areas in Panama City. However, some sectors do not have electric power because of some damage in the system. As the result of the current situation, however, the personnel in charge of repairs will not make the necessary repairs. [end recording]

Teachers Go On Strike To Demand Payment

PA1708035988 Panama City Telemetro Television in Spanish 2300 GMT 16 Aug 88

[Excerpts] Today teachers of several schools in Panama City suspended their work because they did not receive their first bimonthly payment. The authorities had thus far described the teaching process as positive; however, with the passage of time it is running into obstacles. The first problem seems to be paying the teachers' wages. Today, the teachers of several schools went on strike until the goverment pays them. Rogelio Castillo and Mario Ortega, representing the Professional and Richard Neuman Schools respectively, reiterated their decision to remain on strike if there is no satisfactory reply to their demands. [passage omitted]

This afternoon Education Minister Rolando Murgas Torrazza said that checks for the ministry's employees, including teachers, will be handed out tomorrow:

[Begin Murgas recording] Checks were not being prepared today simply because groups of teachers in some schools stopped their work. Those checks were already being prepared in the Comptroller General's Office. The process of making the checks has been taking place as usual; now we have to distribute them.

In the private schools, most teachers were not paid during the off period, March-June. However, in the public sector, the teachers received their payments on time. In fact, they have received payments that amount to paid vacations. They were paid for the time schools were closed beyond the legal vacation period. This is what has happened with the teachers.

Therefore, we directly and frankly deny the accusation that the payment of salaries has been delayed. We must also deny, in a more direct manner, that classes were suspended, students were left unattended, teaching duties were stopped, and—in some instances—roads were blocked, hampering the circulation of traffic, as happened last week. [end recording]

Argentina

New Interest Payment Made Before Deadline

PY1708232688 Buenos Aires CLARIN in Spanish 16 Aug 88 p 19

[Text] Argentina has made new interest payments on its $56-billion debt, thus meeting the 90-day overdue limit. Failing to meet the deadline would have created additional complications for the granting of new loans.

According to a report by the trade newspaper EL CRONISTA COMERCIAL yesterday, an Economy Ministry source said that "Argentina was nearing the 90-day overdue limit on payments." However, the amount of money that the Economy Ministry paid to service the country's debt, which this year totals $4.9 billion, was not specified.

Other Economy Ministry sources confirmed to REUTER that the payments have been made but they did not give any figures. With this interest payment, Argentina prevented the delinquency from reaching a point that would have forced creditor banks to enter the payment in their accounts as not collected. This would have made it more difficult for Argentina to negotiate and obtain new lines of credit.

Within the next few days the government expects to receive a $500-million bridge loan from the U.S. Treasury and the Bank of International Settlements. Argentina will return these funds when the loans it is negotiating with the World Bank are made available.

A high-level World Bank delegation is in Argentina negotiating with local authorities the disbursement of a $600-million loan, which according to EL CRONISTA COMERCIAL is to be used for the development of foreign trade and for financial assistance. However, the funds do not have a specific destination. This will allow the government to use part of them to cover the balance of payments deficit.

The bridge loan sought by Argentina fluctuates between $1.2 and $1.4 billion. According to Shahid Husayn, the World Bank vice president visiting the country, Argentina lost the last two installments of the previous "standby" [preceding word in English], which amounted to a total of $450 million, because the economic team did not fulfill the goals agreed upon with the institution.

Foreign Minister Denies Heading Leftist Front

PY1708214088 Buenos Aires DYN in Spanish 1420 GMT 17 Aug 88

[Text] Buenos Aires, 17 Aug (DYN)—Today Foreign Minister Dante Caputo denied press reports that he is heading a leftist front but admitted that in the upcoming elections he will be a candidate for national deputy of the UCR.

Caputo again harshly criticized the people involved in the incidents of 13 August at the Rural Society. He labeled them as "uncultured, low-class, vulgar, almost illiterate people" who "are fussing with hysteria because they are being left without power."

Caputo said that "It would be a great mistake to believe that the events of 13 August [words indistinct] represent a sector that advocates changes in Argentina," but "they are a sector that has nothing to do with agriculture. As Alfonsin said, they have their ranch houses on Libertador Avenue."

He added: "My criticism is aimed at the group that has nothing to do with production but with speculation."

He said that "they are incapable of producing. They are terribly afraid of capitalism, and they do not have the ability or courage to take the risks involved in efficient production."

Caputo said that what happened at the opening of the Palermo fair "is a serious political action of a minority that should be denounced as a threat to the country. This event should also be clearly distinguished from the false suggestion of conflict between the agricultural and industrial sectors."

He reiterated that the group involved in the incidents "represent the thoughts of people who are being left without power [words indistinct] who are seeing how the rules of democracy are changing, a democracy which is 5 years old despite all the difficulties."

Asked about the reports published in local dailies, Caputo denied that he is forming a leftist front in the UCR.

He said: "The day I decide to do it, I will clearly say so."

He said that "tonight's event, sponsored by the UCR Friends of Sergio Karakachof Center, where I will be honored, is not an event for a political announcement."

He added that "it is an opportunity to talk about the elections to be held next year."

Asked if he was planning to meet with Deputy Darlos Auyero "to define political actions in the center-left of the electorate," Caputo said "not for the moment," but he added that he would like to talk with the Christian Democratic leader.

Nigerian Minister Meets With Foreign Minister

PY1708134888 Buenos Aires TELAM in Spanish 1525 GMT 16 Aug 88

[Text] Buenos Aires, 16 Aug (TELAM)—Major General Ike Sanda Nwachukwu, the Nigerian External Affairs Minister, stated at the end of a meeting today with

Foreign Minister Dante Caputo that his visit to Buenos Aires reveals that cordiality exists between the two nations which are now rediscovering the ties between Latin America and Africa.

The Nigerian minister announced that there is the possibility that several technological and scientific cooperation agreements will be signed tomorrow because Nigeria needs closer ties with Argentina, especially for the adoption of agricultural technology.

Cooperation Accord Signed

PY1708211888 Buenos Aires TELAM in Spanish 1622 GMT 17 Aug 88

[Text] Buenos Aires, 17 Aug (TELAM)—Today Foreign Minister Dante Caputo and Nigerian External Affairs Minister Ike Nwachukwu signed an agreement for economic, scientific, and technical cooperation.

After signing the document at the Foreign Relations and Worship Ministry, Minister Dante Caputo pointed out the importance of this agreement which facilitates ample exchanges with this large African nation.

Minister Nwachukwu expressed his country's satisfaction with the strengthening of relations with Argentina. He considers this rapprochement a good response to the threat represented by the EEC superpowers. The Nigerian minister said: We will do our utmost to make the terms of this agreement become a reality.

The agreement signed by the two foreign ministers foresees cooperation and broad mutual support in resolving economic, scientific, and technical problems on the basis of South-South equality, benefit, and cooperation.

Minister Nwachukwu's last official act in Argentina was to sign this agreement. He will leave Argentina for his country at 1800 today.

CNEA Denies Construction of Nuclear Submarine

PY1708115788 Buenos Aires TELAM in Spanish 0110 GMT 17 Aug 88

[Text] Buenos Aires, 16 Aug (TELAM)—The CNEA has issued a warning about a psychological, national, and international campaign which seeks to involve Argentina in warmongering ventures. This follows reports on the alleged construction of a nuclear submarine.

Tonight the CNEA Public Relations Office released a communique which states that the report by an Argentine physicist in Chile, denouncing the construction of an atomic submarine and talking about a nuclear specialty he has no experience in, is part of this campaign.

The communique says that the different groups that are trying to link the construction of a fuel reprocessing laboratory and the uranium enrichment plant with the manufacturing of weapons are also part of this campaign.

The communique recalled that the CNEA fulfills the purposes for which it was created, dedicating all its efforts to the peaceful use of nuclear energy. These efforts have resulted in many technological developments that have improved the population's standard of living, within the framework of technological independence, and far from any secret purpose of manufacturing weapons.

The denial of the CNEA comes on top of the denial last night by a Defense Ministry authorized spokesman, who said that the report which stated that Argentina would spend $2 billion on the construction of a nuclear submarine was unthinkable and crazy. The spokesman added that Argentina uses its technology for peaceful purposes.

Aerolineas Chairman Resigns, Raps SAS Pact

PY1708221888 Buenos Aires Domestic Service in Spanish 1600 GMT 17 Aug 88

[Excerpts] This morning Aerolineas Argentinas Chairman Horacio Domingorena officially tendered his resignation to President Alfonsin, and reiterated his criticism of what he believes to be an unusual agreement between Aerolineas Argentinas and SAS [Scandinavian Air System]. Domingorena also said he will not appear before the Senate because he is no longer a government employee. [passage omitted]

Eduardo Gonzalez del Solar, currently a member of the Aerolineas Argentinas executive board, will be appointed the new chairman replacing Domingorena. Gonzalez del Solar has conducted the negotiations that led to the agreement for the sale of 40 percent of Aerolineas Argentinas shares to SAS.

Bolivia

Paz Comments on Foreign Policy, Integration

PY1708183088 La Paz EL DIARIO in Spanish 11 Aug 88 p 5

[Text] In his recent state of the nation address, President Victor Paz Estenssoro said that through its foreign policies Bolivia has continued to deepen its friendship ties with the other countries of the world. He said these policies were guided by the need to expand Bolivian contacts in the economic international field.

President Paz said: "The support we have received from other countries in the political and financial areas are a result of the seriousness and consistency that are a characteristic of the new economic policy and the dignity with which we conduct our relations with other countries." He added: "It is also true that the current democratic system has contributed to changing the image of our country abroad."

President Paz emphasized that in the field of diplomatic relations, "our policy agrees with Bolivian historical objectives; defends our national independence and sovereignity without accepting any ideological conditioning; strengthens democracy; and follows the policy of noninterference in the affairs of other countries and of interdependency in order to preserve our peace."

Regarding Latin America, President Paz said: "We hope the problems and conflicts affecting Latin America can be adequately resolved." He added: "We have always been concerned about Latin American problems because we realize that we are part of Latin America and share its destiny." Paz also recalled that Bolivia has taken part in meetings of foreign ministers and of other ministers "so as to grant mutual support and to find Latin American solutions to Latin American affairs, such as peace in Central America, the Panama Canal issue, and sovereignty over the Malvinas Islands."

President Paz then pointed out Bolivian participation in the Nonaligned Movement in view of the importance which the government assigns to the principles of this movement in its determination to create a fairer society.

Commenting on integration, President Paz said that his administration has unfalteringly followed a political line of integration at the bilateral and regional levels. Paz added that Bolivia signed the Quito Protocol, which modified the Cartagena agreement.

Bolivian Landlocked Situation [subhead]

Regarding this century-old problem, President Paz Estenssoro firmly asserted that "the government has engaged in permanent diplomatic contacts regarding Bolivia's landlocked situation and has succeeded in obtaining more international solidarity. The resolutions approved by the Nonaligned Movement and by the OAS, where the United States voted in favor of Bolivia, greatly contributed in the progress of the negotiations. We must remember that the countries that are members of the Andean Pact also supported the Bolivian position."

Government To Reduce Dependency on Dollar

PY1708215488 La Paz PRESENCIA in Spanish
10 Aug 88 p 1

[Text] The Bolivian Government will study mechanisms "to de-dollarize" [desdolarizar] the economy in order to control inflation. The studies will be conducted by the National Economic and Planning Council (CONEPLAN), according to a CONEPLAN spokesman.

"De-dollarization" means reducing the economic dependence on the dollar, a currency that affects the prices of fuels and has a multiplying effect on various sectors.

According to CONEPLAN, the government will reduce the dependency of fuel and public utility prices on the exchange rate of the dollar, which until now has been the decisive factor.

The official report says "de-dollarization" will help the government control inflation, which reached 15.37 percent in the first half of the year.

Authorities said that inflation has increased because fuel prices depend on variations in gasoline prices.

A few days ago, Planning Minister Gonzalo Sanchez de Lozada announced the implementation of measures to slow down inflation, which in 7 months accelerated faster than government estimates for the entire year.

The "de-dollarization of the economy" began in February of this year when the government decided to increase the revenues generated by the Bolivian Government Oil Deposits (YPFB) to cover the deficit of the national treasury.

Opposition economists have warned that "economic dependence on the dollar" would acelerate the inflation process and the loss in salary purchasing power.

According to the economists, the continued dependence on the price of the dollar, which caused a continuous increase in the price of gasoline, would have caused inflation to reach 40 to 50 percent this year.

Cooperation With Canada Resumed After 8 Years

PY1708162288 La Paz PRESENCIA in Spanish
9 Aug 88 p 6

[Text] Yesterday Canadian Minister for External Relations Monique Landry established cooperation with Bolivia after 8 years. The programs of the Canadian International Development Agency (CIDA) were suspended during that time.

The reestablishment of cooperation occurred yesterday with the signing of a joint declaration between the foreign ministers of the two countries and of a $3-million loan agreement under which Bolivia will purchase and ship Canadian wheat.

Canada suspended its annual cooperation program after Genera Garcia Meza took over the government in a bloody coup on 17 July 1980.

The two foreign ministers expressed the commitment of their governments in finding a solution to the political and economic problems of the international community by strengthening the UN objectives and principles. They also advocate dialogue among states for the preservation of peace and international security and expressed support for the sustained economic development of nations.

The two foreign ministers agree on the need to seek, promote, and strengthen the defense and respect of human rights; to seek stable prices for basic products; and to strengthen democratic and free institutions.

The Canadian Government promises to study the Bolivian situation regarding the international debt and to study the possibility of offering cooperation in that field.

Regarding the Bolivian maritime claim, the Canadian minister expressed understanding of the Bolivian demand and emphasized the importance of the Bolivian-Chilean negotiations aimed at finding a solution to that problem.

The joint communique also emphasizes the importance of the struggle against drug trafficking and says that it is necessary to make joint international efforts to fight it.

The joint communique concludes by expressing Canada's satisfaction with the strengthening of democracy in Bolivia, and its expresses its willingness to cooperate in this regard.

Brazil

Itamaraty Spokesman Denies Border Conflict

PY1808011288 Brasilia Domestic Service in Spanish 2200 GMT 17 Aug 88

[Text] Brazil has no border problem with any of the neighbors. Today Itamaraty spokesman Rui Nogueira made this statement regarding the possible resumption of talks between Brazil and Uruguay on the demarcation of the border between the two countries.

The Brazilian Government is still awaiting an announced note from the Uruguayan Government calling for talks on the demarcation. The Uruguayan Government is claiming an area of 22,000 hectares where the village of Thomas Albornoz is located, 75 km from the city of Santana do Livramento, Rio Grande do Sul State.

Itamaraty spokesman Rui Nogueira will give us further details on this.

[Begin Nogueira recording] The Brazilian Embassy has not yet received any note in this regard. I must say that the Brazilian Government's decision, in case the note is presented, is to study it thoroughly to see whether there is some new element that may justify the resumption of talks in this matter. The Brazilian Government feels that this matter was resolved in 1851, when the treaty delineating the border between the two countries was signed. [end recording]

The last time Uruguay raised this problem was 3 years ago. According to the Foreign Ministry, Brazil has no border conflict with any of its neighbors.

Surinamese Foreign Minister Arrives for Visit

PY1708033288 Brasilia Domestic Service in Portuguese 2200 GMT 16 Aug 88

[Text] Surinamese Foreign Minister Edwin Sedoc has arrived in Brazil to discuss the rescheduling of his country's debt to Brazil. The Brazilian government had granted a $52-million loan to the Suriname government.

Today Sedoc met with Brazilian Foreign Minister Abreu Sodre and with the ministers of communications and mines and energy. Tomorrow he will visit the National Congress and also meet with President Jose Sarney, who is participating in the final phase of the Brazilian-Surinamese joint commission. Sodre gave further details on the Surinamese foreign minister's visit:

[Begin Sodre recording] The Surinamese foreign minister is visiting Brazil in an effort to find a solution to the debt existing between Brazil and Suriname and to strengthen trade between the two countries. He is coming to participate in the Brazilian-Surinamese joint commission. As it is well known, the main element of negotiations with Suriname involves the purchase of aluminum. [end recording]

Edwin Sedoc will return to Suriname on Thursday, via Belem.

Agreements Signed

PY1808021088 Brasilia Domestic Service in Portuguese 2200 GMT 17 Aug 88

[Text] Brazil and Suriname will establish new areas of economic cooperation. This is one of the results of Surinamese Foreign Minister Edwin Sedoc's visit to Brazil.

Itamaraty spokesman Rui Nogueira stated that the results of the visit were very positive.

[Begin Nogueira recording] The Surinamese foreign minister had the opportunity to meet with President Jose Sarney and the ministers of communications, mines and energy, and foreign affairs. He managed to reach agreements for future economic cooperation between the two countries.

In addition to an increase in the supply of Brazilian equipment for the telecommunications system of Suriname, it was also established that Furnas Power Plants and Eletrobras [Brazilian Electric Power Companies, Inc.] will carry out a survey of the hydroelectric resources in the western region of Suriname, where the possibilities for small- and medium-size dams are excellent. [end recording]

Today Sedoc participated at Itamaraty in closing the meeting of the Brazilian-Surinamese joint commission.

New Industry, Commerce Minister Installed

PY1708193488 Rio de Janeiro Rede O GLOBO in Portuguese 1600 GMT 17 Aug 88 p 14

[Excerpt] The new Industry and Commerce Minister Roberto Cardoso Alves was installed during a simple ceremony at the Planalto Palace early this morning.

During the speeches, the late Industry and Commerce Minister Jose Hugo Castelo Branco was recalled and the need to modernize the country was stressed.

President Sarney told Cardoso Alves that replacing Castelo Branco represents a great responsibility.

Cardoso Alves said that he was honored by the designation and that he expects businessmen's support for the government's economic program. [passage omitted]

Amazon Indians Grow Coca for Drug Traffickers

PY1808010088 Sao Paulo VEJA in Portuguese 17 Aug 88 p 55

[Text] There are more than 200,000 hectares of coca crops in the warm valleys of Bolivia, Peru, Colombia, and part of Ecuador. The coca is a bush from which cocaine base and then pure cocaine is obtained. Epadu, one of the 200 hundred varieties of coca, can be found in large amounts in the Amazon region, where until recently its leaves were used only by some Indian groups of the region. Once the epadu leaves are toasted, the Indians chew it to increase their strength and to calm their hunger. However, it was discovered in 1982 that, besides being consumed by Indians, some native epadu crops in Brazil were also used to prepare cocaine paste.

In the past 5 years, 501 epadu fields were discovered in the Amazon region, and 15 million plants—which at a rate of four harvests annually could have yielded 12 tons of cocaine in one year—were eradicated. This is not a small amount, since annual world production of cocaine is estimated to be 200 to 250 tons. According to Amazon State Federal Police Chief Jorcelino Rodrigues dos Santos, "Brazil is a great exporter of epadu leaves." More than 300,000 epadu plants have been eradicated this year from the Santo Antonio do Ica region, but the last great eradication was a year ago in the Iauarete Indian Reserve, in the northwest Amazon State, where more than 5 million epadu plants and four cocaine paste laboratories were found.

There, for 700 pesos an arroba (12.5 kg), or in exchange for lanterns, soap, and—depending on the quantity—outboard motors, hundreds of Indians harvest the epadu leaves on orders from Colombian drug traffickers. "I only plant them for myself," Joanico Dias says. He is a Maku Indian of the Peona village who has only a few bushes remaining after the Serra do Epadu crops were set on fire. Even FUNAI [National Indian Foundation] personnel have seen the Indians being exploited by the drug traffickers. Ademar Gonzaga, FUNAI official from the Iauarete Reserve, states: "The Uanano and Cubero Indians of Querari wanted clothes and manufactured products. Since I could not give them any, they went to work for the drug traffickers, looking after their epadu crops on Brazilian territory. I could not do anything. All I could do was to prevent the Indians from being tricked by the drug traffickers when they were paid."

Chile

PRC Vice Foreign Minister Meets With Garcia

PY1808022488 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 18 Aug 88

[Text] Today PRC Vice Foreign Minister Zhu Qizhen held a working meeting with Foreign Ministry officials. Yesterday the high-ranking Chinese official started his official visit to Chile. This morning he held a meeting with Chilean Foreign Minister Ricardo Garcia. During the meeting, they discussed issues of mutual interest and bilateral relations.

Later in the day, Zhu Qizhen held a working meeting at the diplomatic academy with Deputy Foreign Minister Ernesto Videla. This meeting was also attended by Chilean and Chinese officials.

According to Foreign Ministry reports, Zhu Qizhen's visit to Chile is within the framework of the excellent bilateral relations between the two countries and in keeping with the PRC's interest in strengthening the strong ties that have been established in numerous areas.

During the afternoon, Zhu Qizhen held a meeting with Air Force Commander Fernando Matthei.

During his stay in Chile, Zhu Qizhen will hold meetings with government authorities and representatives of the private sector. Zhu Qizhen is scheduled to leave Chile on 19 August.

Matthei on Aircraft Sales Negotiations

PY1608215488 Santiago EL MERCURIO in Spanish 10 Aug 88 p C-1, 10

[Excerpt] According to General Fernando Matthei Aubel, Air Force commander in chief and Government Junta member, Chile is negotiating "rather large contracts for aircraft sales with two other countries: one in the Middle East and one in Latin America." Matthei made this statement during a speech at the Binational Chamber of Commerce Club presided over by Alberto Labbe Troncoso.

Gen Matthei declined to say which countries he was talking about. But during the FIDA-88 International Air Fair, sources from the National Aeronautics Enterprise, ENAER, said the company shortly hoped to announce the signing of new contracts with Colombia and Turkey.

These countries want to purchase several units of the T-35 Pillan. Sources added that four of these training planes had already been sold to the newly formed Panamanian Air Force.

Gen Matthei made his announcement yesterday morning while stressing the accomplishments of the Chilean Air Force [FACH] over the last decade. Matthei said the FACH "was able to carry on projects that strained the imagination of our experts."

Matthei emphasized Chilean technological progress in this area, which has made it possible to keep all our planes operational "despite the arms embargo of various countries."

The commander stressed the importance of FIDA-88 and the operations in the Antarctic, which have given Chile the capacity to reach the South Pole by air, "something that practically nobody else has done."

Regarding the incipient national aeronautics industry, Gen Matthei said: "We have already been able to export planes. This is really something incredible that we could not have imagined. The planes we are producing are better and cheaper than any similar ones in the world. No one would buy planes from Chile if they were bad and more expensive."

Matthei added: "Despite our lack of tradition in this area there are European countries.... We are negotiating at this very moment rather large contracts for aircraft sales with two other countries: One in the Middle East and one in Latin America. This is because our planes, despite our lack of tradition, are so obviously better and so obviously cheaper that they are difficult to reject." [passage omitted]

PCCh Calls for Total Plebiscite Participation
PY1708151188 Madrid EFE in Spanish
2259 GMT 16 Aug 88

[Text] Santiago, 16 Aug (EFE)—The Chilean Communist Party (PCCh) has called for the "defeat of the attempts that are being made to perpetuate General Augusto Pinochet in power" through total and firm participation in the upcoming presidential plebiscite.

Today Jose Sanfuentes and Luis Guastavino, members of the PCCh's Central Committee—the PCCh was banned by the military regime 15 years ago—held a news conference in one of this city's hotels.

The Communist leaders denounced the pre-electoral "fraud" that is being implemented before the plebiscite in which Chileans must cast their vote on the presidential candidate that is to be named by the commanders of the Armed Forces.

The leaders indicated that the fraud is being perpetrated through "the use of public funds, the pressure that is being placed on civilian and military public officials, and through the thousands of Chileans who have been banned from carrying out their civic duties."

Moreover, they added that the PCCh [words indistinct]. "The fact that there will be voting could contribute to generating the conditions for a democratic outlet."

The declaration of the plenum of the Central Committee, which was read by former Deputy Guastavino, stresses that at this time it is most important "that all democratic forces join efforts to bring down the regime."

The declaration states that "anticommunism is the Trojan horse of the dictatorship and an argument that has no basis in today's world because it belongs in the past." Also, it demands that the "sectarianism and the exclusionary position" that has been adopted by the forces that oppose Pinochet be done away with.

The PCCh, one of Latin America's largest communist parties, decided at the end of May 1988, after a long internal debate, to support the campaign for the no vote in the plebiscite, which must take place before the end of the year, and ordered its members to register and vote.

Moreover, the Communists have been isolated by the forces that oppose the government. The opposition has accused the Communists of creating and supporting the armed extremist group the Manuel Rodriguez Patriotic Front (FPMR).

The Communists have indicated that their primary effort is the defeat of Pinochet and his government, to be followed by an evaluation of the ways and means to reform the Constitution and thus begin the transition to democracy.

The same source also indicated that "with Pinochet, there can be no democracy nor can a path toward democracy be opened. The victory by the people of this fraud must culminate with Pinochet's ouster."

Phillips Removed From National Party Presidency
PY1808015888 Santiago Radio Chilena Network in Spanish 2300 GMT 17 Aug 88

[Excerpts] The National Party [PN] political committee and executive board have unanimously decided to remove Patricio Phillips from his post of PN president. PN Secretary General Tomas Puig read a declaration approved with the appropriate quorum in a party leadership meeting. [passage omitted]

Puig also said that Phillips sponsors, encourages, and allows administrative maneuvers aimed at modifying the PN General Council to obtain enough support for his own objectives in the upcoming plebiscite. [passage omitted]

Now, German Riesco has taken over as PN acting president. He was cheered by several leaders who attended the party meeting. Phillips and his followers did not attend the meeting, and Puig said that they suddenly became ill when they learned the subject to be discussed at the meeting.

German Riesco said that the PN will maintain its political line seeking a candidate of consensus for the plebiscite.

CNT Leaders Banished to Isolated Areas

PY1808015488 Santiago Domestic Service in Spanish 2300 GMT 17 Aug 88

[Text] The leaders of the so-called National Workers Command [CNT] have been banished to isolated areas. CNT President Manuel Bustos and CNT Secretary General Arturo Martinez have been banished for a total of 541 days. Manuel Bustos has been banished to Parral while Martinez has been banished to Chanaral.

Moises Labrana, CNT conflict commission secretary, has been sentenced to 61 days in prison. This sentence was unanimously approved by the Supreme Court in keeping with charges raised by the Interior Ministry.

Manuel Bustos, Arturo Martinez, and Moises Labrana have been blamed for the violence that broke out during protests on 7 October 1987.

ANALISIS Reporter Released on $60 Bail

PY1708144088 Madrid EFE in Spanish 0644 GMT 17 Aug 88

[Text] Santiago, 16 Aug (EFE)—Today Reporter Alvaro Rojas, the international editor of the Chilean opposition magazine ANALISIS, was released by a military court on bail equivalent to $60.

Rojas was arrested on 3 August for offending the Aremd Forces when he published, last February, a humorous article about the "Municipalization of the Armed Forces."

The article, signed by Rojas under the name "Agent 000," referred to the municipalization process of the schools conducted by the government of General Augusto Pinochet which resulted in the dismissal of 8,000 teachers.

ANALISIS Director Juan Pablo Cardenas waited for Rojas outside the jail. After greeting him, Cardenas went inside the prison where he is serving a sentence of 541 days of night arrest. He has already served 383 days.

Currently, 30 Chilean reporters are standing trial, most of them in military courts.

Another Columnist Released

PY1808001688 Santiago EL MERCURIO in Spanish 10 Aug 88 p C-8

[Text] Last night the military court ordered Tomas Moulian released on bail. Moulian, a sociologist and columnist of ANALISIS magazine, had been accused of offending the Armed Forces.

Moulian was indicted by the president of the 4th military court, Commander Ricardo Carrasco, because of the statements he made in the weekly magazine referring to military prosecutor Fernando Torres Silva.

Christian Democratic Youth President Detained

PY1808023488 Santiago Radio Chilena Network in Spanish 2300 GMT 17 Aug 88

[Excerpts] Felipe Sandoval, president of the Christian Democratic Party [PDC] Youth, has been detained by order of military prosecutor Ricardo Carrasco, PDC Youth leader Yerko Ljubetic has reported. He also said that the Carabineros have pressed charges against Sandoval for allegedly committing libel during a television program called "Opinion Trends." [passage omitted]

Ljubetic said that the PDC Youth intends to stage demonstrations to obtain the release of its president. He said that the PDC Youth will attend the demonstration organized by the Youth Command for the No Vote on 20 August to express its solidarity with Felipe Sandoval.

Missing Youths Turn Up in Prison, Held 5 Days

PY1808002288 Santiago Radio Chilena Network in Spanish 1700 GMT 17 Aug 88

[Text] Two youths, missing since last week, have turned up the Valparaiso prison, where they are being held incommunicado. They are Gaston Sanhueza and Antonio Poblete, residents of Cerro Esperanza and Villa Alemana, respectively. This information was reported by a human rights commission today. Commission lawyers filed a writ of injuction with the appellate court. The two youths have been missing since a rally at the headquarters of the maritime workers' no vote command last Thursday. Today it was reported that the two detainees were ordered held incommunicado by the Valparaiso military judge, who today will have to make a decision on the legal status of Sanhueza and Poblete, who have been in jail for 5 days.

Military Judge Orders Release of Students

PY1708233288 Santiago EL MERCURIO in Spanish 6 Aug 88 p C-9

[Text] Concepcion—Yesterday Alejandro Navarro, president of the Concepcion University Students Federation, and Fernando Fontaine, a medical student were granted an early release. Both had been detained on Wednesday, accused of attacking Carabineros who were on duty.

Military Prosecutor Ivan Kuzmanic ordered their release after a face-to-face confrontation between the two students, who were kept in a public prison, and the Carabineros agents who were allegedly attacked by the students. The attack reportedly took place during a march called the "carnival for the no vote."

Most university schools were partially occupied yesterday to protest the detention of these students leaders.

Santiago Municipality Building Bombed

PY1608134788 Santiago Domestic Service in Spanish 1030 16 Aug 88

[Text] Last night at 2240, terrorists detonated a powerful bomb at a Santiago municipality building located at 740 Recoleta Avenue. The blast destroyed a gate and all the building's windows, as well as those of neighboring houses. The loud explosion caused the people to panic. The shattered glass of the windows was scattered over a radius of at least 200 meters.

GOPE [Special Operations Group] units and units from the northern Carabineros prefecture showed up at the site. Special Carabineros personnel carefully checked the site for a second bomb but did not find one.

The explosion did not cause any injuries, only damage to the windows of the houses.

Eyewitnesses said that a strange package had been left at the site by unidentified individuals.

This insane action could have caused a tragedy because a large number of vehicles and pedestrians usually circulate in this area.

More Bombings Reported

PY1608191588 Santiago Domestic Service in Spanish 1700 GMT 16 Aug 88

[Excerpts] Last night terrorists perpetrated six bomb attacks against public and private property causing substantial damage. Fortunately, no injuries were reported. According to police reports, two municipal buildings were damaged.

A bomb, composed of 0.450 kg of ammonium nitrate fuel oil blasting agent, exploded near the facade of the La Cisterna municipality building, located at 8585 Gran Avenida, damaging the building's masonry and windows. [passage omitted]

The Carabineros have also reported that another bomb exploded at a house located at 1201 Las Torres Street in Cerro Navia District. The house is owned by Victor Mendez Arriaza.

Two other fairly powerful bombs were detonated at the national offices in Maipu District. The bombs caused serious damage but no casualties were reported. [passage omitted]

2 Bombs in La Serena

PY1608190588 Santiago Domestic Service in Spanish 1700 GMT 16 Aug 88

[Report by Wilson Castro from La Serena]

[Text] Two bombs were detonated in different parts of the city of La Serena. The bombs damaged several houses, breaking their windows and causing panic.

The first bomb exploded in a square in El Romeral District. The second bomb exploded in a vacant lot on the corner of Lautaro and Benavente Streets. Fortunately, no injuries were reported.

Security personnel, Carabineros, and plainclothesmen showed up at the sites of the explosions but did not discover any other bombs.

These actions, typical of the Marxist terrorists who seek to disturb the public, have been repudiated because people could have been injured. Both sites are near the downtown area of La Serena.

Santiago Police Station Fired Upon; No Injuries

PY1508205488 Madrid EFE in Spanish 0200 GMT 15 Aug 88

[Text] Santiago, 14 Aug (EFE)—Tonight the Carabineros (military police) have reported that four unidentified individuals fired automatic weapons from a moving car at a police station in the eastern sector of Santiago. There were no injuries.

Neighbors reported to have heard shots in the area, but the situation was confusing because fireworks were being used at the same time at a nearby church during a celebration.

It has been confirmed that police units and helicopters have been carrying out operations in the zone.

Colombia

Barco Comments on Government's Peace Plan

PA1708121788 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Aug 88

[Text] Today the Colombian Social Conservative Party and the Patriotic Union [UP] agreed to join the Commission for Democratic Coexistence. The commission will prepare a peace proposal and will present it to the Colombian guerrilla groups. The commission will start

working on 22 August, and the proposal must be prepared within a 30-day period. In addition, the two parties will issue a joint document expressing their views.

This afternoon the Follow-Up Commission of the Dialogue for National Salvation met at the headquarters of the Latin American Episcopal Council to finish up the details on the installation and operations of the committee, which will begin working next week.

During a ceremony commemorating the 60th anniversary of the Presidential Guard Battalion, President Barco again spoke about a peace plan prepared by his government.

During the ceremony, President Barco said his government is completing a peace plan, in which all the Armed Forces sectors will play an important role.

The plan is part of the government's rehabilitation policy and is based on the constitutional amendments the Colombian Congress is currently discussing.

President Barco vigorously refused to adopt proposals prepared in previous dialogues.

[Begin recording] [Reporter] Will the study take into consideration all the previous dialogues, including the so-called meetings for national salvation that have been conducted recently?

[Barco] No. The government will study the situation along with its experts and advisers. Once we agree on what is best, we will move onto the next step.

[Reporter] Does that mean the government does not recognize the agreements and dialogues conducted in Usaquen?

[Barco] That is something else. [end recording]

According to President Barco, there is no deadline to present the peace plan to the country, but the peace plan itself will have a deadline for the guerrilla groups to demobilize and lay down their weapons.

FARC Releases Kidnapped U.S. Students

PA1708004988 Bogota Inravision Television Cadena 1 in Spanish 0015 GMT 17 Aug 88

[Text] Two geography students who had been kidnapped by FARC traveled to the United States today. The students were touring the Putumayo and Caqueta areas when they were kidnapped 10 and ½ months ago. Contacts between the bishop of Florencia and the FARC leaders eventually resulted in their release.

A news conference was organized at the U.S. Embassy today, and the students told about their life in captivity. FARC took them from camp to camp throughout Caqueta territory during the 10 and ½ months following their kidnapping on 4 October 1987. They said their health was good while in captivity and they had shared the guerrilla fighters' food. They spent their time reading, writing, and playing chess. They also took the same risks that the guerrillas took concerning their personal security.

On 14 August, FARC turned them over to the bishop of Florencia. The students, Cunningham and McGrath, asserted that the bishop risked his life by meeting them in the Caqueta jungle. He turned them over to the U.S. Embassy today, and a doctor certified that their health is good.

Five Geologists Kidnapped by ELN in Santander

PA1608212388 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Aug 88

[Report by Teresa Rueda]

[Excerpt] Violence in Santander Department has increased during the last few hours. Five geologists from the Eastern Coal Enterprise, Carboriente, were kidnapped by a group from the Army of National Liberation [ELN] 3 km from El Cerrito municipality, Garcia Rovira Province.

Carboriente officials Carlos Bolivar, Jose David Manrique, Noel Alirio Tellez, Rafael Alfonso Rojas, and Guillermo Blanco were working on soil exploration to find fuel. [passage omitted]

Paraguay

Stroessner Receives Taiwanese Premier

OW1708050788 Taipei CNA in English 0347 GMT 17 Aug 88

[Text] Sao Paulo, Aug 16 (CNA)—The special mission of the Republic of China headed by Premier Yu Kuo-hua was received Tuesday by General Alfredo Stroessner who was sworn in as the 8th president of Paraguay on Monday.

Yu Kuo-hua will visit Chinese residing in Asuncion after the official celebration programs.

Court President Ends Term, Justices Named

PY1708145088 Asuncion HOY in Spanish 17 Aug 88 p 8

[Text] Supreme Court President Luis Maria Argana did not resign yesterday, as speculated by the press after he submitted a note to Justice and Labor Minister Eugenio Jacquet. A high government source said that the letter was written to inform the Minister that Argana had "fulfilled his 5-year constitutional term because he was sworn-in on 29 August but his term began on 15 August."

The same source told HOY that Argana will be excluded from the judicial branch during this constitutional term. This week the executive branch will submit to the Senate the names of five people who will make up the Supreme Court. The list includes Hiran Delgado Von Leppel, Justo Pucheta Ortega, Francisco Pussineri Oddone, Luis Fernando Sosa Centurion, and Carlos Baez Rhenfeldt.

Peru

Garcia Meets, Praises OAS Secretary General

PY1708154688 Madrid EFE in Spanish 0332 GMT 17 Aug 88

[Text] Lima, 16 Aug (EFE)—Today President Alan Garcia stated that the OAS will play "a decisive role" in the possible dialogue between the United States and Latin American countries in 1989.

Garcia met for approximately 1 hour with OAS Secretary General Joao Baena Soares at the Government Palace in Lima.

During the meeting, Garcia said that the "great" possibilities of dialogue in 1989 are based on the strengthening of regional nationalism and on "the upcoming events in the United States."

Baena Soares replied that the OAS, and that he personally, is willing to serve the OAS members, taking into account that the OAS is "a natural forum" at which these countries can discuss the most important issues of the region.

Baena Soares expressed his recognition and gratitude to Garcia and his administration for their support for the OAS.

Foreign Minister Luis Gonzalez Posada, who also attended the meeting, announced that the Peruvian Government "fully" supports Baena Soares' reelection as secretary general.

Gonzalez Posada stated that the Peruvian decision to support Baena Soares was made taking into account the "high qualifications of the candidate," the "remarkably positive" results of his administration, and his active cooperation in peacefully resolving the conflictive Central American situation.

The election of OAS members should take place in November during the 18th special session of the OAS, to be held in San Salvador, Gonzalez Posada said.

President Garcia stated that Baena Soares is "a Latin American citizen, who has the great responsibility of coordinating and representing the OAS, which brings together all the countries of our continent."

Garcia reiterated that in the upcoming months, the OAS will play a "decisive role" in the "great dialogue" that Latin American countries will hold with the United States. He added that despite the fact that from the viewpoint of U.S. policy and of the U.S. economic influence, "Latin America has been unimportant," it is expected that as of next year, talks will be held to address the "great problems involving Latin American countries."

Baena Soares, who arrived in Lima on 12 August, will visit the Cartagena Agreement headquarters, where he will be honored by the Andean Pact countries, which comprise Bolivia, Colombia, Ecuador, Peru, and Venezuela.

Baena Soarez was declared an "illustrious guest" of Lima on 15 August.

Soares Honorary Guest

PY1608034388 Lima Television Peruana in Spanish 0100 GMT 16 Aug 88

[Excerpts] Today the Lima provincial council declared OAS Secretary General Joao Baena Soares a guest of honor of Lima in a ceremony headed by Mayor Jorge del Castillo.

In exclusive remarks to this newscast, Baena Soares said: We are all brother countries who are facing development problems and who must currently build a future to ensure our place in the world. [passage omitted]

[Begin recording] [Reporter, in progress] ...can you tell us about the fact that Latin America and the world in general is seeking peace and the integration of our peoples?

[Baena Soares] I think that all brother countries who are facing development problems must currently build a future to ensure our place in the world.

There is a very important integration movement in America, in Latin America, and in the Caribbean area. This movement is expressing itself through different initiatives, as we all know. However, I believe that it must also be expressed through the international organizations.

It is very important for the Latin American and Caribbean countries to coordinate efforts to improve the living conditions of our peoples and to coordinate our actions in the international organizations. [end recording]

Garcia Receives GDR Council of State's Gerlach

PY1608033388 Lima Television Peruana in Spanish 0100 GMT 16 Aug 88

[Text] Today Manfred Gerlach, deputy chairman of the GDR Council of State, stated after a meeting with President Alan Garcia that Peru and the GDR have similar ideas regarding international development and world peace.

[Begin Gerlach recording, in German with simultaneous Spanish translation] The meeting with the president was very cordial and frank. We discussed problems involving international development and the strengthening of world peace, seeking solutions to regional conflicts, especially in Central America.

I can say that the GDR and Peru have the same or very similar views regarding these problems. This will help us strengthen our relations with Peru and intensify political consultations within great international organizations because in addition to the great world powers, the smaller countries such as the GDR and Peru also have great responsibilities in strengthening peace in the world and in creating a sound international climate.

In addition to international relations, our bilateral relations have played an essential role because relations between our two countries are currently very good. In June of this year we began talks regarding economic development and the Peruvian president made very concrete proposals.

We feel that President Garcia and his government are making a tremendous effort to resolve the economic and social problems in Peru. We hope for an improvement in the workers situation, for the stabilization of the economic situation, for the resolution of the debt problem, and for expanding relations between our the countries, especially in the economic sector. We hope to contribute in this task. [end recording]

Comments on Relations

LD1608105288 East Berlin ADN International Service in German 2348 GMT 15 Aug 88

[Text] Lima, 15 Aug (ADN)—Dr Manfred Gerlach, deputy chairman of the GDR State Council, and Peruvian state President Dr Alan Garcia Perez met yesterday [15 August] in Lima for an exchange of views on the international situation and relations between Peru and the GDR. Manfred Gerlach, heading a state delegation currently in Peru, conveyed to Alan Garcia cordial greetings from Erich Honecker, GDR State Council chairman, which were reciprocated.

During their talk, both politicians stressed the necessity of further disarmament steps, particularly regarding nuclear arms. In an exchange of views on the situation in Central America, Manfred Gerlach paid tribute to the activities of the Contadora and Lima groups as a significant contribution to the peaceful settlement of the regional conflicts affecting world peace.

Manfred Gerlach and Alan Garcia expressed their satisfaction at the high level of relations between the GDR and Peru and called for further deepening bilateral cooperation.

UK Official on Economic Investments

PY1708174288 Lima Domestic in Spanish 1200 GMT 17 Aug 88

[Text] Upon concluding his 5-day visit to our country, the British under secretary for foreign and commonwealth affairs announced a donation of a special armored vehicle to the anti-drug police for the operations conducted in the jungle. We have the visitor's remarks.

[Begin Timothy Eggar recording, in English] Of course, the economic and trade relationship between our two countries is an important factor in our relations, and this has loomed large in my discussions. I recognize the economic difficulties faced by your government and the efforts that are being made to improve investors' confidence. I am sure this is very important. The United Kingdom was the second largest overseas investor last year, in (?the entire world after Japan), and if there is to be further United Kingdom company investments in Peru, it is clearly important that British investors have confidence in the economy.

Of course I welcome the interest by Shell, a major British company making huge, long-term investments in Peru. I was able to meet with members of the newly formed Chamber of Commerce last night, and they, while explaining the economic problems of the country, stressed to me the long-term economic opportunities, and the fact that this chamber of commerce has recently been founded [words indistinct] of the opportunities which quite clearly exist. [end recording]

Government Settles Conflict With Miners

PY1708034488 Lima Television Peruana in Spanish 0100 GMT 17 Aug 88

[Excerpt] The national mineworkers strike has been solved. Because of the success of the negotiations with the government, the miners will return to work tomorrow.

[Begin recording] [Energy and Mines Minister Abel Salinas] We reached an agreement, and in an hour we will sign the document acknowledging the mineworkers' right to organize themselves according to their work category. The agreement also states their promise to immediately lift the strike they started a few weeks ago.

I want to affirm, in front of the mineworker leader and Senator Valentin Pacho, that although the talks were difficult at times, the two parties expressed their good will to protect the national interests. The mineworker leaders and the government understand that this situation jeopardizes the national economy.

Two legal documents will be issued, a supreme decree and a ministry resolution, stating the social gains obtained by the workers. This will bring peace to the country.

[Reporter] What about their salaries?

[Salinas] Well, you know that a supreme decree was issued a couple of weeks ago establishing salary adjustments for them three times a year instead of once a year as in the past—that is, a salary adjustment every 4 months. [end recording]

[Begin recording] [Union leader Saul Cantoral] With the issuance of a supreme decree and a ministry resolution meeting our demands, we arrived at the end of this conflict. Therefore, in about an hour we will sign the corresponding agreement. The supreme decree and the ministry resolution will be published tomorrow.

[Reporter] Are you satisfied with the results of the agreement?

[Cantoral] Well, I think we all won with this agreement, both workers and the country. There are still some problems but, as the minister has said, the door remains open and these discussions will not stop; we will continue with the talks.

Yesterday Prime Minister Armando Villanueva del Campo recommended to me that any conflict must be avoided. So we decided to continue talks to try to resolve the mining sector's problems in order to not reach the point of holding a strike that harms the workers and the country. We thus affirm our will to hold talks to overcome the problems. [passage omitted] [end recording]

Defense Minister Denies Border Dispute
PY1708183688 Lima Domestic Service in Spanish 1200 GMT 17 Aug 88

[Text] Yesterday Defense Minister General Enrique Lopez Albujar reaffirmed the Armed Forces position by stating that Peru has no border problem with Ecuador.

[Begin Lopez Albujar recording] We reject the intention of subjecting the Rio de Janeiro protocol to revision. We categorically state that the Armed Forces will always defend Peruvian territory, the borders of which have been established in compliance with international law. We respect the rights of other countries, and we have no territorial problem with Ecuador. [end recording]

Police Dismantle Drug Trafficking Gang
PY1708173888 Lima Television Peruana in Spanish 0100 GMT 17 Aug 88

[Excerpts] The Peruvian Anti-Narcotics Division [Direction de Trafico Ilicito de Drogas] dealt a harsh blow to international drug trafficking and dismantled a gang of drug traffickers led by an Englishman named (Donald Henry Holmes). The criminals were trying to send 24 kg of cocaine abroad.

The Peruvian Investigative Police [PIP] broke up one of the most powerful drug trafficking organizations in the world when they seized 23.9 kg of pure cocaine, worth $2.4 million.

The gang was made up by the following arrested individuals: (Donald Henry Holmes), 53; English; Oscar Nieri Cabero, 39; Juan Jorge Pampas Rojas, 32; Jose Carlos Leca Martinez, 27; and Carlos Daniel Fuentes Salgado, 40. Raul Espartaco Jara Navia, Chilean; and the individuals known as Gino, Juan Cuadros, and El Platero have not yet been arrested.

[Begin recording] [PIP General Felix Garcia Nunes] Our investigation shows that (Boffer), the mafia chief who is currently in jail in England, is married to (Susan Osler), who is now (Henry Holmes)' lover, and whose address (Holmes) uses in Peru, Argentina, and Brazil.

This investigation is being performed in cooperation with Scotland Yard.

[Reporter] Have you received any information on whether those involved have been captured in Chile?

[Garcia] We are waiting for information. We have been very precise in the data we furnished regarding the capture of Architect Raul Eduardo [as heard] Jara Navia.

[Reporter] What is the overall value of the drug?

[Garcia] The drug is worth $2.4 million at the international market price in London. The cocaine weighed 23.9 kg.

[Reporter] You have also seized dollars, have you not?

[Garcia] Yes. We seized a total of $11,200 in cash; $3,000 in American Express travelers checks; and 130 pounds sterling.

[Reporter] Does this organization have any connection with other organizations such as El Padrino's gang?

[Garcia] I would not say so, but it does have connections with foreign organizations. We are attempting to establish this and hope to have the data here in Peru soon.

[Reporter] Has Interpol requested British [words indistinct]?

[Garcia] Yes, exactly. [end recording]

This has been the harshest blow against drug trafficking in Peru this year. It was the result of the efforts of PIP intelligence personnel under the orders from PIP Commander Mario Luque, who explained the details of the operation:

[Begin Luque recording] We received information that a drug trafficking organization was sending drugs abroad, mostly to the United Kingdom, via Chile. Raul Jara Navia was in charge of exporting the drug. The boxes were addressed to him as he is a Chilean citizen. The operation was financed by Mr (Holmes), who is British. [passage omitted]

We contacted companies that export handcrafts and asked them to report to us on any suspicious exports. As a result, the Garcia Baggage [preceding word in English] [words indistinct] reported that there was something suspicious about certain boxes. [passage omitted] As you can see, these are the three boxes which were packed by Mr Raul Jara Navia. In each of these boxes he packed pieces of furniture and handcrafts. [passage omitted] In the lower part of the boxes the drugs were hidden inside tubes. [passage omitted] [end recording]

Uruguay

Visiting PRC Vice Minister Comments on Trade

PY1608150388 Madrid EFE in Spanish 0156 GMT 16 Aug 88

[Text] Montevideo, 15 Aug (EFE)—Today PRC Vice Minister of Foreign Affairs Zhu Qizhen stated here that Uruguay-PRC trade has exceeded the projections that were made when bilateral diplomatic relations were established 6 months ago.

Zhu, who is on a 3-day official visit, held a 45-minute meeting with President Julio Maria Sanguinetti, with whom he discussed the development of diplomatic relations.

Zhu told the press that he confirmed to Sanguinetti the invitation extended by the PRC Government for the first Uruguayan presidential visit to the PRC.

It was learned from Uruguayan Foreign Ministry sources that Sanguinetti could visit the PRC in November.

Zhu said that the importation of Uruguayan wool and soybeans has been very advantageous and that the PRC has become the main buyer of Uruguayan wool.

According to the Foreign Trade Directorate, Uruguayan exports to the PRC have substantially increased since 3 February 1988, when diplomatic relations were established.

PRC imports from Uruguay increased 359 percent during the first 4 months of 1988, compared to the same period of 1987.

Foreign Trade Directorate sources stated that the PRC has bought 97 percent of the washed wool exported by Uruguay. During the past 6 months, the PRC bought wool worth $58,013,776 and has become the main importer of this Uruguayan product.

Uruguayan exports to the PRC amounted to $12,165,000 in 1983 and increased to $40,369,000 in 1987, when negotiations to establish diplomatic relations were underway.

Senate To Question Medina on Disciplinary Action

PY1708160888 Montevideo Radio Carve in Spanish 0930 GMT 17 Aug 88

[Text] On 16 August the Senate decided to question Defense Minister Hugo Medina at the request of Blanco Party Senator Carlos Julio Pereyra.

The minister will be asked to explain the reason for the disciplinary action taken against Ship-of-the Line Captain Gaston Silbermann, who signed the request for a referendum on the full stop law.

The minister will be also questioned on the implications of statements made by officers on active duty. The date on which the minister will be questioned will probably be established next week.

Venezuela

Foreign Minister Denies Border Incidents

PA1708173888 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 17 Aug 88

[Text] Foreign Minister German Nava Carrillo, denying news reports of alleged incidents on the border with Colombia, stated that the incidents were deliberately fabricated to create friction between the two nations.

Speaking with newsmen in the corridors of Miraflores Palace, Nava Carrillo harshly criticized the reports issued by various media as being completely false. He said this type of reporting shows an irresponsible attitude and a failure to assess the impact reports of this kind have on the Venezuelan and Colombian people. He also denied reports that he had met with his Colombian counterpart, Julio Londono.

[Begin recording] [Nava Carrillo] Practically all the foreign ministers who were in Quito spoke with one another, but not in any depth, because the circumstances did not permit that. In our case, I said that our authorities have instructions to carry out their duties thoroughly and that we trust that the means for coordination and for the dissemination of information will become much more effective.

[Reporter] But are there no plans for a special meeting, for Londono to visit Caracas?

[Nava Carrillo] None of the reports is true.

[Reporter] There has been talk about a meeting, a joint visit by you and Foreign Minister Londono at the border.

[Nava Carrillo] No, no. That is absolutely untrue. Foreign Minister Londono and I have not talked. [end recording]

OPEC Leader Visits, Meets With Lusinchi

PA1608171888 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 16 Aug 88

[Excerpts] OPEC's Secretary General Subroto met with Venezuelan President Jaime Lusinchi. Subroto described the meeting as positive and productive. He added that OPEC will regain its leadership role in the world market and become the largest and most important supplier in the 1990's. Within the next few months, OPEC will overcome its problem of overproduction.

During the meeting with Subroto, Lusinchi promised to continue supporting OPEC's efforts to reinforce the international price of oil. They also talked about the Iran-Iraq war and its repercussions for OPEC. The two agreed that an end to the war would open many options for OPEC.

Afterward, Subroto told newsmen that upon completing his Latin American tour, he will visit Iran and Iraq. He wants the two nations to support the decisions made by OPEC at its next regular meeting on 21 November 1988. As Subroto explained during a news conference, these measures will come in a single package that would include an equal quota for Iran and Iraq, suspension of oil credits to Iraq by Saudi Arabia and Kuwait, and a definition of condensates. If they are classified as crude oil, they will be included in the quotas of all 13 members, without exception. Subroto admitted that OPEC is overproducing. However, he declined to give figures.

He also commented that for the last quarter of this year, OPEC's demand for crude oil will be 18 million barrels a day, which is 3 million barrels above the current level. However, OPEC will have to decide if it wants to lower production in order to raise prices. This measure will benefit all members, including Iran and Iraq, which will need greater revenues to rebuild their economies after the war. [passage omitted]

Subroto's short- and medium-range forecasts are that OPEC will in the 1990's recover its former prices, because the United States and the UK—the largest producers among the industrialized nations—will decrease their production. At the same time, the industrialized countries will grow at a rate of 3 percent annually, which will cause a greater demand for oil that only OPEC can meet. From the OPEC secretary general's explanations, one can infer that the organization's tendency over the next few months will be to create an increase in the demand for oil, but at a stable price not to exceed $18 a barrel. This will enable those two countries that are ending their war to have sufficient funds to reconstruct their economies without forcing OPEC to overproduce.

Tomorrow Subroto will meet with Petroven's entire board of directors at the company's headquarters.

On PDVSA Operations

PA1708231288 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 17 Aug 88

[Report by Jenny Silva]

[Excerpts] This morning OPEC Secretary General Ali Subroto left for Mexico after 2 days of talks here with Venezuelan petroleum experts. [passage omitted]

Before his departure, Subroto commended the organization and operation of Venezuelan Petroleum, Inc. [PDVSA]. The OPEC secretary general said PDVSA is on a par with the most competitive international petroleum enterprises operating in the world market. Subroto feels that Venezuela's internationalization policy is good, because it gives Venezuela a better position in the market while at the same time it has produced greater benefits for the country from the sale of products processed from the traditional crude oil supply. [passage omitted]

At the PDVSA meeting, Subroto said that if petroleum condensates qualify as light crudes at the upcoming OPEC meeting, new production guidelines will be equally applied to all countries. He noted that Venezuela did not create the condensates problem since most OPEC member countries started producing and exporting petroleum condensates long before Venezuela did. [passage omitted]

Lusinchi Tours New Television Station, Comments

PA1608193888 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 16 Aug 88

[Text] President Jaime Lusinchi witnessed the inauguration of the new television station, Omnivision Channel 12. Lusinchi said the station's inauguration is a sign of the country's unstoppable progress. It is the first Venezuelan cable television channel and has 40,000 subscribers so far.

Lusinchi toured the station's facilities and was pleased that the station will provide jobs for 400 workers, especially communications professionals.

[Begin Lusinchi recording] It represents Venezuela's entry into a very special area of communications. I am very pleased because it has that deep significance. It also represents a large investment by businessmen. This reinforces confidence in our country.

Without trying to give my words any special connotation—because this channel, as well as Channel 10, have been well received by the other channels and the media in general—I believe this diversification and expansion of the Venezuelan media strengthens the country's democratization and emphasizes its well-known pluralism. This is a very positive sign in every respect. [end recording]

New Interior Minister Consalvi on Tasks

PA1708174988 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 17 Aug 88

[Text] New Interior Minister Simon Alberto Consalvi announced that he will establish contact with presidential candidates and political parties to create a climate of understanding and cordiality during the remainder of the current administration's term in office.

A journalist, writer, international figure, politician, and intellectual with a lengthy record of service, Consalvi was sworn in as the new interior minister, succeeding Jose Angel Ciliberto. Upon welcoming him, President Lusinchi said that Consalvi has returned to his public service roots.

Meanwhile, the new interior minister said that his designation is a generous gesture on President Lusinchi's part, adding that there is a vast difference between the Interior Ministry and the Foreign Ministry.

[Begin Consalvi recording] It is difficult to deal with foreign policy. Extraordinarily sensitive issues—which very often are not well understood—must be discussed, which makes it difficult for a foreign minister to speak out openly. If the minister speaks his mind, the country may face the risk of being in an unnecessarily awkward position every time he opens his mouth. The Interior Ministry is different—it involves government administration, and although there are many risks to be faced, blame remains within the national territory and solutions are easily found. [end recording]